THE LEGISLATIVE COUNCIL OF THE GOVERNOR OF MADRAS.

Friday, the 28th February 1930.

The House met at 11 o'clock, Mr. President (the hon. Rao Bahadur C. V. S. NARASIMHA RAJU Garu) in the Chair.

PRESENT:

Usman Sahib Bahadur, *Kt.*, The hon. Khan Bahadur Sir Mahomed.
Campbell, C.S.I., C.I.E., C.B.E., V.D., I.C.S., The hon. Mr. A. Y. G.
Subbarayan, The hon. Dr. P.
Muthiah Mudaliyar, The hon. Mr. S.
Seturatnam Ayyar, The hon. Mr. M. R.
Abdul Hye Sahib Bahadur, Khan Sahib K.
Abdul Razack Sahib Bahadur, Khan Bahadur S. K.
Arogyaswami Mudaliyar, Diwan Bahadur R. N.
Arpudaswami Udayar, Mr. S.
Balasubrahmanya Mudaliyar, Mr. M.
Bheemayya, Mr. J.
Bhooshayya, Mr. P.
Chidambaranatha Mudaliyar, Mr. T. K.
Cotterell, C.I.E., I.C.S., Mr. C. B.
Dorai Raja, Mr. S. N.
Ellappa Chettiyar, Rao Bahadur S.
Ethirajulu Nayudu, Diwan Bahadur P. C.
Gangadhara Siva, Mr. M. V.
Gnanavaram Pillai, Rao Sahib P. J.
Gopala Menon, Mr. C.
Guruswami, Rao Sahib L. C.
Hearson, Mr. H. F. P.
Kesava Pillai, C.I.E., Diwan Bahadur P.
Khadir Mohidin Sahib Bahadur, Muhammad.
Krishnan, Mr. K.
Krishnaswami Nayakar, Mr. K. V.
Kumaraswami Reddiyar, Diwan Bahadur S.
Lakshmana Reddi, Mr. G.
Leach, I.C.S., Mr. A. G.
Leech, Mr. A. J.
Mahmud Schamnad Sahib Bahadur, Khan Bahadur.
Mallayya, Dr. B. S.
Moidoo Sahib Bahadur, Khan Sahib T. M.
Muniswami Nayudu, Diwan Bahadur B.
Muniswami Pillai, Rao Sahib V. I.
Muppil Nayar of Kavalappara.
Murugappa Chettiyar, Diwan Bahadur A. M. M.
Nagan Gowda, Mr. R.
Nanjappa Bahadur, Subadar-Major S. A.
Narasimha Rao, Mr. Mothay.
Narayanaswami Pillai, Mr. T. M.
Natesa Mudaliyar, Rao Bahadur C.
Parthasarathi Ayyangar, Mr. C. R.
Raja of Kallikota.
Raja of Parlakimedi.
Rajan, Mr. P. T.
Ramachandra Reddi, Mr. B.
Ramalinga Chettiyar, Rao Bahadur T. A.
Ramamurti, I.C.S., Mr. S. V.
Raman Menon, Mr. K. P.
Ramanath Goenka, Mr.
Ramaswami Ayyar, Mr. T. S.
Ramjee Rao, Mr. V.
Ramaswami Ayyar, Mr. U.
Ranganatha Mudaliyar, Mr. A.
Ratnasabhapati Mudaliyar, Rao Bahadur C. S.
Robertson, Mr. R. J. C.
Sahajanandam, Swami A. S.
Saldanha, Mr. J. A.
Sami Venkatachalam Chetti, Mr.
Shetty, Mr. A. B.
Siva Raj, Mr. N.
Srinivasa Ayyangar, Mr. T. C.
Srinivasa Rao, Mr. Nagar.
Srinivasan, Rao Sahib R.
Subrahmanya Pillai, Mr. Chavadi K.
Tajudin Sahib Bahadur, Khan Sahib Syed.
Thomas, Mr. Daniel.
Tulasiram, Mr. L. K.
Uppi Sahib Bahadur, K.
Venkatarama Ayyar, Mr. K. R.
Venkataramaiya Nayudu, Rao Sahib Badeti.
Venkiah, Mr. S.
Watson, I.C.S., Mr. H. A.
Wood, Mr. C. E.
Zamindar of Seithur.
Zamindar of Singampatti.

[28th February 1930

* Mr. SAMI VENKATACHALAM CHETTI :—" Mr. President, Sir, before proceeding to speak on the budget, I hope I may be pardoned if I make a passing reference to the sincere pleasure I feel at the recovery of Sir Thomas Moir from his serious illness. Nothing but his stern sense of duty would have impelled him to be present the other day for the purpose of presenting his last budget. In a couple of weeks, he will be retiring from the service of which he is a distinguished member, and I have not the slightest doubt that the Council will greatly miss his round full-blooded face which was ever ready to repel the attacks of the Opposition. I hope that he will enjoy sound health during the period of his rest, and in that enjoyment of sound health, he will remember the toiling millions of this country who supplied the grist to his financial mill.

" Sir, since the provincial budgets have ceased to be matters of great policy and have become almost a piece of arithmetic, I do not think that the budget evokes in us any praise or congratulation nor does it offer a subject-matter of very serious discussion. On the other hand, you make use of these two or three days on general discussion for general criticism of the policy of the Government, the representation being more often of local and individual grievances.

" Reviewing the figures for the last four or five years, one cannot but be struck with the large amounts that were charged to surplus. These were Rs. 98·37 lakhs in 1925–26, Rs. 101·48 lakhs in 1926–27, Rs. 139·14 lakhs in 1928–29 and Rs. 122·12 lakhs as per revised estimates for 1929–30. Surpluses of this kind are objectionable and I am glad that the hon. the Finance Member's attention has been drawn to these surpluses though from a different aspect from which I intend viewing at them. He had dealt with the surpluses from the aspect of indifference in estimating by the heads of the departments, and reprimanded severely such of those departments which were habitual offenders in those matters. Severe as the reprimand is, I do not think, Sir, that the heads of departments will show a better record of their capacity to know the capacity of their own spending powers. The surpluses, apart from the aspect of accountancy, are highly objectionable. In the first place, the very existence of surpluses is very bad. Such surpluses, if they continue to occur year after year at a time when we are taxed to the full and the people's capacity to pay taxes has been over-exceeded, become a veritable curse and an evil. Incessant demands for restoration of old rates in respect of the Registration Department have been made but met with the usual cry of 'No money' while all along there have been surpluses which could not be spent by the Government Departments. It is a distressing and discreditable feature that the revenue should go on increasing in Excise and on this increase the Government should go on committing themselves to further liabilities. There was an increase of nearly half a crore in the revenues during the current year. In the budget for 1930–31 though there is shown a decrease of 31 lakhs, this slight decrease, I have not the slightest doubt, will transform itself into a large surplus during the year. The hon. the Finance Member in trying to find out an excuse for the large consumption of arrack and toddy as due to seasonal conditions, falls into an inconsistency when he had himself admitted that the trade continues to be dull. Trade being admittedly dull, the increase of consumption is certainly not due to prosperous conditions of either the ryot or the labourer but to his despair and anxiety to drown his sorrows by drinking. To say then that the

28th February 1930] [Mr. Sami Venkatachalam Chetti]

increase in consumption is due in a small measure to the propaganda which has been launched by the hon. the Minister for Excise not being organized is to say what the hon. the Finance Member himself does not believe. Propaganda or no propaganda, Sir, if the shops are set up before temples, mosques, schools and colleges and hospitals and market places, is there not reason to believe that this perennial pestilence of drinking will thrive on, thanks to the British Government, their policy, and it is, so to say, a sheer waste of money and it will be continued so long as this policy of the Government continues?

"Coming to the Budget Estimate for 1930–31, it is regrettable to note that the promises of successive Ministers to reduce the increased charges under the Registration Department have not been kept up and this is sought to be satisfied, as I said before, by the usual cry of financial impossibility.

"It is consoling to note from the hon. the Finance Member's speech that the chronic dullness of trade has attracted his attention. But a mere statement of trade dullness does not mitigate the evil. Besides the ruinous effect on prices and the indebtedness of the cultivator and the trader, all on account of the fixation of exchange at 1 shilling 6 pence for a rupee, there is the further evil in the shape of purchasing firms combining together and refusing 11-15 a.m. to offer more than what they themselves thought fit. Large returns which the cultivators had obtained from the sale of ground-nuts have induced them to convert large areas which were hitherto producing grains and pulses for the cultivation of ground-nut. The possibility, may I say the immediate probability, of western firms combining themselves into large groups for eliminating competition is telling very severely upon production of ground-nut and also upon tobacco. I wonder what the Local Government proposes to do in order to ensure to the ryot the full value of the article he is producing.

"Sir, the hon. the Finance Member made very pertinent observations upon the land revenue and excise policies of the Government. I am afraid I must characterize them as his parting kicks to the Council. Sir, while proposing to refrain from saying even a word on the conclusions of the Economic Enquiry Committee into the resettlement of Kistna and West and East Godavari districts, he had devoted as many as fifteen lines of printed matter in attacking the conclusions of that Committee. His arguments come to this: whatever might be the incidence of taxation, however erroneous the data upon which the resettlement enquiry might have proceeded, whatever might be the capacity of the person who has got to pay this tax, so long as this method in madness continues to be the same in respect of every other district, there should be no reason why these districts should be absolved from paying the increased taxation. I have not heard any hon. Member, from whichever side he has spoken, speaking one word in favour of the conclusions the hon. the Finance Member had drawn in his speech. It might have suited the European Members to speak in favour of such conclusions, and I know they will continue to speak so long as we do not direct our attention upon the possible sources of taxation affecting them. To speak of substituted revenue, it would be none of my duty or the duty of any Member of this Council, so long as the Government continues to be irresponsible, to suggest measures of augmenting the income. But, if it comes to it, we are not so unmindful of other avenues of taxation. We know, Sir, that a large amount of money is being remitted as profits of European and other alien firms. I wonder

[Mr. Sami Venkatachalalam Chetti] [28th February 1930

whether that will not afford a field for taxation. I know, Sir, that the coastal traffic is neither in the hands of our Government nor our people. Whether that will not offer a source of increased taxation is a question which we have to tackle. Such of those gentlemen who gibe at us that we are not mentioning substituted items of revenue but still go on continuing the drain of this country, thus demoralising and degrading the people and running the Government upon the misery and impoverishment of our countrymen, may not feel so sure that their pockets will not be affected if it comes to that. The hon. the Finance Member regretted the fact that seventeen lakhs were irrevocably lost on account of the postponement of the imposition of resettlement rates upon those three districts. I wonder, Sir, what if they were lost. Huge sums of money were lying idle with the Government and they could not spend this money on ameliorative objects. It is undoubtedly true that our mainstay is land revenue. Therefore, it is that the land revenue assessments should be so levied as to keep the man who yields this land revenue alive. It is the most foolish policy to kill the goose that lays the golden egg. But still that is the policy which the Government are now pursuing. It may be asked why Government should be so stupid and foolish as to follow such a course of policy. My answer to that is that the Government of the day is not responsible to the people here but they are responsible to the British Parliament. They care a brass farthing for the contentment and prosperity of this country. Sir, so long as this Government continues to be irresponsible and alien in its constitution and so long as the bulk of our taxes goes to pay the unprecedented scale of salaries, pensions and annuities, and so long as our money is used to relieve unemployment in other countries by importing huge machinery for our irrigation works, there is no justification for increasing any tax whatsoever. The advisability of so grading the land tax according to the capacity of the assessee instead of unit basis should however be examined in order to relieve the small holder of some strain. It is cruel to call it a tax which takes away all the income.

" Sir, the hon. the Finance Member spoke of the new constitutional changes being attended with increased expenditure. We know too well, Sir, that constitutional changes in this country are accompanied by Lee Commissions and the like. Therefore, it is that we do not want such constitutional changes which will not give us freedom to cut our coat according to the cloth.

" Sir, it is very disappointing that the proposal of the constitution of a rural development fund has not been pursued. It has always been the custom of the bureaucracy to attack people here that we are not representative of rural India and to say that they are more concerned for their solicitude and welfare. Is this the way in which they show their concern and solicitude for rural India ? Sir, rural India is taxed to its utmost. Rural India is driven to the money-lender; rural India is accompanied to taverns to be intoxicated with liquor. Rural India is laid on that soft and concrete bed of litigation. Rural India is put into jail. Rural India is being led into destitution. That is what rural India is. That is what the rural India has got from the high-sounding name of Government. Sir, rural India, like man, has got seven stages in life; she begins with cultivation, proceeds to taxation, debt-contraction, intoxication, litigation and conviction, and ends with destitution.

" Referring to the provision of a large allotment under education, I must say that it is not an unmixed blessing. What is the policy behind our education? Have we any idea of the port to which the ship of education is

28th February 1930] [Mr. Sami Venkatachalam Chetti]

being steered? Or is it to any port for a storm? Indisputable has been the opinion that the present system of education has only led hundreds of our young men to be thrown on the market of unemployment and that education, if anything, is merely unpreparing the youth of this country for the life he has to live later on. And yet, there has been no serious attempt to systematise education so as to suit the needs of the country.

"One word more, Sir, and I will finish. The police continues to appropriate as nearly as one-eighth of the whole revenue and yet it cannot be said to be helping the honest citizen. So far as the City Police is concerned, I will be failing in my duty if I did not acknowledge that there has been a visible decrease in the number of motor accidents. But, I must say that the police is unable to cope with the present day ingenious methods of theft, house-breaking, murder and also floatation of bogus companies. The sturdy low class rowdy is no longer the offender. The uneducated and the half-educated and unemployed middle-class offender is the character the present police have got to grapple with. Taught by the cinema, spurred by unemployment and aided by fashionable dress, he is carrying on his nefarious trade and eluding the somewhat crude methods of the police. I must admit, Sir, that the inspectorate and the constabulary of to-day are recruited from a better class of people than they were of yore. But, at the same time, I must point out some evils which are staring in our face. The present sub-inspectorate is recruited from S.S.L.Cs. and intermediates."

* The hon. the PRESIDENT:—"The hon. Member can take a suitable opportunity to discuss it on the Police Budget."

* Mr. SAMI VENKATACHALAM CHETTI:—"I have done, Sir. I will finish it in a few words. The sub-inspectors do not seem to be attuned to the rigors of discipline. To-day the sub-inspector is more a dandy than the old sub-inspector. He is a patron of music, entertainments and *Bharata Natiyam*, and clubs where poker and other chance games are played. I have got to make special mention of these things because it will be impossible for these sub-inspectors to grapple with the crime that is to-day very rampant and because some of these sub-inspectors themselves are not above being offenders. I would like that the Commissioner of Police, who is anxious about the purity of the administration, will save these young men from falling victims to these evils. The introduction of European sergeants on rates much higher than those of sub-inspectors is putting the loyalty of the force to a severe test."

* Rao Bahadur T. A. RAMALINGA CHETTIYAR:—"Mr. President, Sir, I am sorry the hon. the Finance Member is not able to be here to-day, especially so as this is the last occasion on which he presents the budget to this Council. Sir, he and I have agreed very rarely in the principles which he wanted to be imported in finance. But, at the same time, I would express my admiration for the honesty and straightforwardness with which he placed his views before us, and whether we agreed or not, we always recognized in him a strong man with the courage of his convictions to deal with. He was, Sir, the result of a system rather than an individual responsible for his views, and he is not here to espouse those views. I do not find fault with him personally in anything that I may have to say or in the views I express with reference to his budget and budget making.

[Mr. T. A. Ramalinga Chettiyar] [28th February 1930

11-30 a.m. "Sir, as a fair fighter with whom we have had to deal for so many years, we will be missing him very badly in this House and I wish to join with the other hon. Members of this House in wishing him long life and all happiness and prosperity in the years to come.

"Now, looking into the Budget itself, Sir, we all know the notorious fact that the Madras Government has always been taxing the people to an unnecessary extent, accumulating money in its hands and suffering in the end at the time of accounting. In the old days they had accumulated money in their chest as a result of maintaining a higher level of taxation than is the case anywhere else in India. Thanks to the information supplied to us by the European Association at the time when we were agitating for the release of the provincial contribution, we found that Madras was the most heavily taxed province in all India under every head. And yet, our Government have done nothing to better the condition of the people here, nothing even to approach other provinces like the Punjab. Sir, as I am pressed for time, I will pass rapidly over several matters.

"Now let us take the three years with which the speech of the hon. the Finance Member was concerned. This will give ample material for proving the general statement I have made. Taking the year 1928-29 for which we have got the actuals, we find that the income was 18 crores whereas the expenditure was only 16½ crores. And from this expenditure of 16½ crores should be rightly deducted a sum of half a crore which was not budgeted for and which should have been met from borrowings as it was capital expenditure. Thus it will be seen that we had 2 crores more money raised by taxation—a sum which was not needed. Now, Sir, if this had happened in one year only, it can be overlooked on the ground that by some chance the money was not spent; but we find the same thing recurring year after year. Take the figures for this year. According to the hon. the Finance Member 212 lakhs out of the revenues are to be set apart for the reduction of debt. Now, Sir, in the speech introducing the Budget, the hon. the Finance Member has himself made reference to canons of taxation. Well, one of the canons of taxation well recognized in all countries is that revenue ought not to be used for capital expenditure seeing that the benefit of such capital expenditure is not going to be enjoyed by the present generation alone, but by posterity as well. Such expenditure, therefore, should always be met from borrowings so that the future generations may bear their proper share of the burden along with the present generation. That is one of the accepted principles of taxation and that principle has not been adhered to in this Presidency at all. As a matter of fact, we find the hon. the Finance Member taking credit for reducing debt incurred for constructing productive works such as irrigation works and so on. Sir, every one will agree with me when I say that for productive works the proper way to find money is by borrowing. Even after making provision for capital expenditure we find that a balance of 212 lakhs is anticipated in the current year's budget.

"Let us now take the year 1930-31. In the budget for this year, the hon. the Finance Member has made provision for paying back 67½ lakhs of debt. He does not stop there, but goes on to say that he would find 60 lakhs out of the current revenue for capital expenditure. These together mean that there is a balance over and above our legitimate expenditure of a sum of Rs. 127½ lakhs. What does this show? It shows that he is taxing the

28th February 1930] [Mr. T. A. Ramalinga Chettiyar]

province to the tune of $1\frac{1}{2}$ crores over expenditure which is not sanctioned by any known financial principle. He is playing with the money. He wants to spend it in the direction of paying off debts or of granting lump grants for Universities. He wants to pay 36 lakhs to one University and he has already paid 37 lakhs to another University, the Annamalai University out of the anticipated savings in the budget for the current year. We also find that he has on hand a huge building programme such as the construction of a hospital in a mufassal centre at a cost of 16 lakhs and so on. And all this expenditure is to be met out of the current revenues. Is revenue to be used for such purposes at all? I submit, it should not be; if sound principles of taxation are to be followed, such expenditure ought not to be met out of the revenues at all. Well, Sir, after making provision for capital expenditure and for debt reduction on this lavish scale, he says that he does not want to fulfil the promise given to this House to reduce court fees and stamp fees to the level at which they stood when increased rates were imposed in an emergency. At the time of the imposition of this increased rates, a definite promise was given that as soon as the emergency was over, the rate would be reduced. This promise he is not prepared to fulfil; on the other hand, he does not hesitate to say that it is impossible to lose further revenue by reduction of court fees or stamp duty to the extent of 70 lakhs. I doubt whether the reduction would come to 70 lakhs, but even granting that that is the correct figure, I do not think it is a large amount to forego seeing that the undertaking given to the Council at the time when the amending Bills were passed was that as soon as the emergency was over, only the old level of taxation in this respect would be maintained. It will be within the recollection of hon. Members of this House that the Court Fees Act and the Stamp Act were originally all India Acts under which a uniform level of taxation was maintained all over India, but that when these sources of income were provincialized, to meet the provincial contribution, we were obliged in 1922 or 1923 to increase income under this head. Now, Sir, we are living in prosperous days having more than a crore left in our hands every year after meeting the year's expenditure. When such is the case, I think, it is only right and just that we should go back to the old level of taxation in regard to court fees and stamp duty. Again, Sir, I submit that this tax falls heavily on the poor man. Of course, all our taxes in this province as well as most taxes in India generally are paid by the poor men. Sir, it is one of the accepted canons of taxation that taxation should be based on the capacity of the men concerned to pay and that it should be collected at the time most convenient to the tax-payer. This principle is not at all taken into consideration by the India Government or by the provincial Governments.

"Now, Sir, our main sources of revenue have been analysed by the hon. the Finance Member. He said that these were three, viz., land revenue, excise and stamps. With reference to the first item, I may say that most of our landholders are poor people paying a kist of Rs. 5 or Rs. 10 or Rs. 20. With regard to our agricultural labourers, every economist of any reputation who has gone into the matter has said that they are not able to have more than one meal a day. That is the condition under which they live. In respect of these people, what the hon. the Finance Member wants is that the average of both the lean years and fat years should be taken and if that were done the ryot would be found to be able to pay more than he is paying now, and he is very sorry that the proposals for the resettlement of East Godavari, etc., were not given effect to. Now I will say this in reply to the above observation. Seeing

[Mr. T. A. Ramalinga Chettiyar] [28th February 1930

that the agricultural labourer has normally, not taking into consideration bad years, only one meal a day, is there anything unnatural in his trying to have two meals at least in good years? If there is a margin left, one can think of averages. But where is the margin when he is in a state of perpetual hunger? Is it humane to think of and treat the agriculturist as a mechanical contrivance gathering the fruits of the earth for thirty years and to take the average of that period for levying resettlement rates from him? I for one cannot think that that is the sort of way in which he should be dealt with. In all cases there ought to be allowed a minimum of comfort to a man. It is only what remains after allowance is made for this purpose that can be taxed. In the case of land revenue assessment, that is not at all done. We are taxing people on the acreage and on the extent of the land possessed by an individual and not with reference to the capacity of the person who owns the land to pay or not to pay. That is a very bad system of taxation, and I do not think there will be many people at the present time who will support taxation of that sort. In these days, all taxation is based on the capacity of the person concerned to pay. That is all I have to say with reference to the first source of revenue mentioned by the hon. the Finance Member.

"Now coming to the second item, viz., excise, the position is still worse. Excise revenue comes almost wholly from the pockets of the poorer classes. It is the poor labourer who earns 4, 6 or 8 annas a day that goes to the toddy shops and practically drinks away all his earning for the day. Here again, there is a fallacy in what the hon. the Finance Member has stated. He has made himself responsible for the remark that it is on account of the goodness of the season that the excise revenue has increased. Well, Sir, anybody who knows anything about the country parts can say that it is not correct. No doubt, if everybody is thrown out of employment there will be no chance of getting excise revenue and there will be a fall. But good years or bad years do not make any difference to the worker or labourer who resorts to the toddy shops to swell the excise revenue.

"Another source of revenue which is compared with excise is toll-gate income. It is said that both the excise revenue and the income from toll-gates increase with increase in prosperity. I had been in this Council for
11-45 over six years and I have knowledge of the toll income for about twenty years.
a.m. I am yet to know a year in which the income of the succeeding year was below that of the preceding year either in the toll income or that of the excise revenue. Does the hon. the Finance Member mean that during the last twenty years there was no year of scarcity and the last one or two years were years of prosperity? I beg to submit that is a wrong way to look at things. The fact is this: whether the year is good or bad, whenever the labourer gets money, whatever he has goes to the arrack shop. I mean a major portion of what he earns goes to the arrack shop. That is what happens. So, Sir, the statement of the hon. the Finance Member, with all due deference to him, is not borne out by facts.

"The third item of revenue is stamp and court-fees. Here strangely enough, when we are all talking about progressive taxation, viz., that the man who deals in larger amounts ought to pay more, the man who deals in smaller amounts has to pay more heavily than the man who deals in larger amounts. The present method by which a man who is indebted to the extent of a few hundreds of rupees has to pay more than the man who is indebted

28th February 1930] [Mr. T. A. Ramalinga Chettiyar]

to a larger amount is somewhat anomalous. Up to Rs. 1,000 the court-fee is $11\frac{1}{4}$ per cent. When it goes above, it is $7\frac{1}{2}$ per cent. As the amount goes higher and higher the court-fee is reduced. I do not mean by saying this that the present rates of court-fees are proper at all. As a matter of fact all through the fees charged are heavy. But they are particularly heavy on the poorer man who deals in hundreds and two hundreds and three hundreds and even 40's, 30's and 20's. It presses very heavily on the poorer man. This is not a proper way at all. Not only that. The court-fee and stamp fee are paid by persons who execute the document—I mean the debtors. Although in the first instance they may be paid by the plaintiff, the creditor, it is ultimately paid by the debtor who naturally is the poor man. So all the three heads of taxation on which we rely are paid mostly by the poorer man, by the man who finds it very hard to pay these monies. I may also state another thing with regard to the other canon of taxation, viz., about the time of payment. There also our Government have not taken note of it. In most of the cases the kist is made payable either before the harvest is gathered or just as soon as the harvest is gathered. What is the result? It is this: that a man who wants to pay his kist borrows the money in the first instance and pays his kist and immediately he harvests his crop and takes it to the nearest market and sells it at whatever price he gets. It is the experience of most people except in the case of cotton and one or two other articles for which there is a world market, all other articles are sold at prices 20 or 30 per cent less than what they would fetch one or two months later. We are not only taxing the man to the utmost tune to which he is subjected to pay land revenue but also the time at which you force him to pay his kist makes him undersell his crops.

"With regard to revenue, it will be seen that the so-called canons of taxation are not at all respected by our Government. If you go to the expenditure side it is still worse. I will give only one example. The remarks made by the hon. the Finance Member on page 6 of his speech can very well apply generally to all departments of the Government. It is generally the way in which the Government deals with these things. If you take education you will find that ample provision has been made for University education. We have three Universities for our Presidency. I do not say anything against having three Universities but I am only saying about the proportion in which we have got to deal with these things. Provision is made for ample grants for the three Universities and we have got a top-heavy administration in the various departments of the Government. In the year 1924 or 1925 when there were two Deputy Directors of Public Instruction, one Deputy Directorship itself was considered too much and the Director of Public Instruction himself admitted that two posts were too much and that he was prepared to abolish one post of Deputy Directress of Public Instruction. Now we find that the Deputy Directors have swelled into three and there are two Personal Assistants and the Deputy Directress also has come back, and this is in the course of four or five years. I may state here that a Retrenchment Committee was appointed in our province some six or seven years back. My hon. Friend Mr. Wood was a Member of that Committee, and also my hon. Friends the present Leader of the House and the hon. the Chief Minister. We all made certain recommendations and they were given effect to. Now, Sir, coming here after three years of absence, I find that

every post that was abolished then has now been replaced. Not only that; while we then wanted justification for a lesser number of posts, now we find a larger number of posts added. I will give one more example. The number of Conservators of Forests was reduced to five. After going elaborately into the whole question we suggested that a reduction should be made and it was said that after reclassification of forests there would be a further reduction. Now the reclassification has been made but I find that the number has not been reduced but increased to seven. In the same way in every department we find that expenditure has been extravagantly increased. I am only saying what the hon. the Finance Member himself has said with reference to the way in which things were being done.

"Now with regard to education, I wish to say one or two words more. Committee after committee, I mean the Agricultural Commission, the Co-operative Committee, the Hartog Committee and all other committees that sat have stated, whether it is social improvement, economic improvement or political improvement that is wanted, elementary education is necessary and it has to be made compulsory. In every country outside India education has extended more and more. In a backward country like Russia literacy has increased by 60 per cent in ten years, whereas we are at the old level of 10 or 11 per cent. The remarks which the hon. the Finance Member has made run thus:—'Our expenditure on education has immensely increased; we have now three Universities instead of one, and every year has seen an improvement in the buildings, equipment and staff of our colleges and high schools. If the large expenditure on elementary education is to some extent of questionable value I can only hope that those who are now studying the problem the difficulties of which I know, will be able to devise a policy by which it can be more fully justified'. I do not think there remains anything more to be stated on this and I will only add that our policy with reference to elementary education has been a failure. I think it is high time that the hon. the Chief Minister took up the matter in hand and framed a scheme with the help of a committee to make primary education universal. Something has to be done immediately and I do not think it is a matter in which any delay can be brooked.

"I will only add that throughout the speech of the hon. the Finance Member he has been harping on this that our resources are limited, that we have come to the end of our resources and our commitments have been very large and that we have got no margin. It is high time that the whole matter was gone into with the help of a committee of members who are able to devote their time and energy and the exact position of our resources and commitments found out. In the next year's budget, there is no doubt a deficit of some lakhs and if one looks superficially it looks terrible. But when you once go into the whole thing, I humbly submit things are not so bad as they have been painted. Our commitments are not so bad."

* The hon. the PRESIDENT:—"I request the hon. Member to close his speech."

* Rao Bahadur T. A. RAMALINGA CHETTIYAR:—"I think it is high time that Government went into the whole matter and took account of both our resources and our commitments so that we may know exactly where we are and what steps we ought to take for guarding ourselves against any trouble in the present and future years about which the hon. the Finance Member has said so much."

28th February 1930]

*Mr. A. RANGANATHA MUDALIYAR :—"I share with the other hon. Members who have preceded me their regret for the absence of the hon. the Finance Member and the causes that have led to it, and I sincerely hope that he may soon be restored to complete health and have a long life of happiness and useful retirement.

"When I first entered the Council and listened to the first budget speech, I ventured to say that the budget appeared to me to have been prepared so as to show as small a balance as possible by underestimating the income and overestimating the expenditure. Then the hon. the Finance Member said that my inexperience was responsible for such a statement, but I may submit that subsequent events fully bore out my statement. I think the same might be said of subsequent budgets also and the present budget is no exception to the rule. I will take only one instance which will show that the Government are utterly indifferent about showing the correct financial state of the province. The budget shows that under excise revenue there is going to be a deficit of Rs. 17 lakhs. I venture to submit that this is not going to happen. We have had abkari sales recently and I would like to ask the hon. the Finance Member whether there has been any appreciable fall in revenue. Why do they say that there is going to be a big drop in their revenue? Is it because they have determined on abolishing important shops and not merely unimportant shops fetching next to no rent? The important shops are really the sources from which the Government get a large amount of revenue. I doubt whether the revenue will be materially affected by the work of the propaganda committee at all. I have had a talk with some of the toddy renters as to what the effect of this propaganda would be on their sales and they simply laughed at my entertaining any idea that our propaganda will diminish their sales so long as the Government did not abolish important shops and reduce their number. I may tell you that there are some renters who have gone to the length of forming propaganda committees in their respective areas because they know full well that this propaganda will not affect their sales. I am indebted to the Commissioner of Excise for issuing in the beginning a circular affirming that revenue was no longer the chief consideration of the Government, that the department should not look upon the propagandists as its opponents but help them by strictly enforcing the provisions and rules framed under the Act, which will minimize consumption of liquor and encourage total abstinence, but when it came to a matter of actual auctions and absence of bids in some cases he issued another circular warning the propagandists not to take part in anything which was going to have such effect on auction sales. So much for the anticipated fall in income in excise revenue. This kind of manipulation of budget figures has several mischievous results as I shall proceed to show. It has, for example, the effect that relief which is needed by the people is denied to them. Bellary has been suffering from bad seasons for a series of years, and, during the last year, the Government had to suspend a considerable sum of money and, this year also being a bad year, it was expected that the suspended revenue would be remitted this year. But instead of that the hon. the Revenue Member has simply put off the collection of revenue to next year. What is the object? Does he mean that as soon as the ryot gets something the Government should pounce upon him for the collection of revenue which they found impossible to collect for two years in succession.

'I now come to the question of loans given to ryots of that district. These loans were not advanced in years of prosperity; they were advanced 12 noon.

[Mr. A. Ranganatha Mudaliyar] [28th February 1930

in years of scarcity, in years when it was the duty of the Government to start relief work and find employment for the people. Instead of doing this, which would have involved an expenditure of lakhs and lakhs of rupees, they resorted to the convenient method of advancing loans to these people so that they might find employment for themselves and others dependent on them and succeeded very well in their object. Now comes the hard fact, viz., that the ryots find it very difficult to repay the loans with interest. Loans were not advanced in one and the same year; they were advanced in different years at varying intervals. It so happens that, owing to the series of bad years in the past, the collection of the arrear instalments had to be postponed from year to year and that all the instalments of the different loans advanced from time to time have become due this year. The result is that the ryots are not able to find the large sum necessary to repay the loans just now. I should like to know what the Government propose to do. My suggestion to them is this: these loans should be made interest free and, whatever amount has been collected so far by way of ordinary or penal interest should be credited towards the principal. I would also say that it would be unwise on the part of the Government to collect the loan instalments due even on more than one loan in one year. They must collect the instalment of only one loan at a time. When they have finished the collection of the loan issued in one year, they may begin to collect the instalments due on the next loan and so on. More than that, I would like the Government to examine the seasonal condition of these villages and find out what the average outturn has been for the last ten years or so; they should classify the villages according as the outturn is, o to 3 annas, 4 annas to 7 annas and 7 annas to 11 annas and be prepared to write off a certain percentage of the principal of loans due by ryots, varying from 75 to 25 per cent according as the average outturn has been very poor or slightly more.

"Last year I ventured to appeal to the hon. the Home Member and to his Colleague, the Indian Member, on the Executive Council to help us in our struggles for administering the transferred departments more usefully and liberally and in our fight for constitutional freedom. The hon. the Home Member taunted me by saying that he wished that I had practised what I was saying when I was on the Treasury Bench. Perhaps if I had followed his advice, I would still be there instead of here. Am I to take it that, because he followed the reverse of the policy enunciated by me, he is on the Treasury Bench so long as he has been, with the prospect of perhaps an extension of his term? Assuming for a moment that I was wrong and did not follow the policy I am suggesting now, why should he follow my bad example? I appeal to him again that he should try to help the transferred departments to the best of his ability. Take for example the Indian School of Medicine for the establishment of which, I must gratefully say, he was responsible to a great extent when he was a non-official member. In his capacity as the Home Member and as a Member of the Executive Council he has had several opportunities of furthering the interests of that institution by way of providing additional staff for research, by way of providing additional beds, by way of recognizing the diplomas issued by that institution as equivalent to those issued by medical schools and colleges. I should just ask him to remember the days when he worked for that institution as a non-official member and ask himself how far he has really cared to carry out he ideas he had at that time.

28th February 1930] [Mr. A. Ranganatha Mudaliyar]

"His hon. Colleague, the Law Member, is not present to-day. Sir, we know how, when he was on this side of the House, vehemently and eloquently spoke about the immediate release of Mr. Narayana Menon. He has done nothing in that matter, after he went over to that side. I do not say that a member on the Treasury Bench should necessarily carry out all that he might have said before, as a private member. It is just possible that, as private members, we do not know the full facts of the case. We have only one side of the matter and we might have been misled. The hon. the Law Member after hearing the other side of the case, after his transfer to the other side, may now be in a better position to judge of the merits of the case, after he has come to know the full facts of the case. If he has changed his opinion I should not complain but perhaps honour him for the courage to change his views. But it is not so in this case. He is still anxious that Mr. Narayana Menon should be released. His views are still the same and have not changed. And yet, since he took charge of his present portfolio, he has not done anything in the matter.

"I am very sorry to point out that during the regime of the hon. the Chief Minister, the reputation of the Local Self-Government Department has not, by any means, been enhanced. It cannot be that he is unaware of the weak spots of his administration; some of them, I take it, he knows himself; others are brought to his notice by those interested. But when it comes to the question of taking action, I am afraid that he is to a great extent influenced by such extraneous considerations to bear on him as to who the offenders are. If they are his partisans or men who either directly or indirectly can influence the voting strength he takes a very lenient view of matters. He, as a Minister, must be above all these considerations when he is entrusted with the responsible work of being the head of the transferred department of Local Self-Government. I shall point out one or two instances to illustrate what I have in my mind. A taluk board president announced the date of a meeting at which the vice-president and a number of members to the district board were to be elected. The meeting was held in a place other than that in which usually the meetings of that board are held. On the date of the election, the Government issue a telegram not to hold the election. The meeting is held in an outlying place and the telegram does not reach the president or members of that board, in sufficient time to postpone the meeting. They proceed with the elections; they elect their vice-president and a number of members to the district board. Not knowing what to do, the president of the district board makes a reference to the Government explaining the full facts and seeks the advice of the hon. Minister whether he can notify the results of the election in the gazette. The Government deliberately give orders that the president of the district board will be justified in publishing the results of the elections. But what happens afterwards? Somebody gets the ear of the Minister and the result of the elections are not notified. It is perhaps a year since the elections were held and the results are, I fear, yet to be notified. At any rate, they had not been until even a few days ago. I do not know whether it has been published now.

"There is another case where, in order to oblige a president of a local board, members are nominated in advance of the date of the normal expiry of the term of the existing members and the outgoing president with a view to get himself re-elected sends notices not to the members who are on the

board that day but to those members who have to fill up the places vacated by the present members. The result is the outgoing president is re-elected. The matter comes up to the Government and yet nothing is done to set aside that election. Instances like these may be multiplied. Very often the results of elections go up to the Superintendent of the Government Press and afterwards the publication of the names is withheld. It would be very interesting to have a list of these cases. I am sure that the hon. the Chief Minister will not be satisfied with the results of his administration. If to-day there is trouble in the Tanjore District Board, I venture to think that it is due, to a great extent, to the unnecessary interference of the Ministers who should be above all partisan spirit in these matters; but unfortunately they are not so. I should like to say that this is due to the hon. the Chief Minister taking upon himself more work than he can possibly discharge. He has taken over the portfolios that should be in the hands of my hon. Friend, Mr. Setu-ratnam Ayyar. These things are, to some extent, responsible for the defects which I have pointed out."

* Rao Sahib R. SRINIVASAN :—" Mr. President, Sir, so much was said by so many hon. members regarding the budget presented this year. I would, if I say anything, be only repeating what they said; yet, I must not omit to mention that the hon. Finance Member, Sir Thomas Moir, has been very sympathetic and liberal towards the depressed classes. Sir, he is a good soul. I think, if opportunity is given to the hon. members, they would give him a song 'For he is a jolly-good-fellow', before he leaves our shore. The condition of the depressed classes deserves earnest, immediate, and serious consideration of the Government. I would briefly summarise the events that took place for the last forty years to show what has been done and what remains to be done by the Government. From the highest authority in India, His Excellency the Viceroy downward, the officials and reformers, have been advising the depressed classes to help themselves. They have been trying to do so.

" After two years,—1890-92—deliberations, the depressed classes adopted certain policies, namely, that they should separate themselves from the general body of the caste-Hindus to form themselves into a community; not to change their religion—Hinduism—because the affinity in that religion would draw them both together, as the social disabilities were removed; and that they should pull down the high caste-Hindus from ascending the political ladder till depressed classes were raised in the social ladder. With these objects in view, they published a journal, organized associations, and had their community recognized by the Government that they are a separate body from that of the caste-Hindus. They sent memorials to the British Imperial Parliament, held public meetings, and agitated vigorously protesting against giving higher appointments to the caste-Hindus, the oppressors, and granting of full self-government. They kept up the agitation for about ten years from 1890 to 1900. The agitation was not so vigorous, as the speaker who was instrumental in the above said activities, left for the continent.

12-15 p.m. " Since then, the Government gave expressions that self-government could not be granted owing to the oppressed condition of the depressed classes. There was a gap for about twenty years. But the nail driven by the depressed classes into the heart of the political agitation for full self-government was unshakeable, and painful to the caste-Hindu political agitators. Sober-minded great men like Dhadaboy Nowroji, Bownagiri,

28th February 1930] [Mr. R. Srinivasan]

Ranade, Gokhale, Panagal, brought pressure upon the Government to concert measures to ameliorate the condition of the depressed classes—the untouchables. A special department to protect the interests of the untouchables was brought into existence, which is now known as the Labour Department. Since the inception of this department for the last six or seven years, it has been able to provide the following facilities for these unfortunate classes :—

25,400 house-sites were provided for 55,600 families,

1,650 co-operative societies were brought into existence.

1,400 schools were established for about 50,000 children,

2,500 wells opened and repaired, and

6,358 scholarships granted.

"At the initial stage of this department, owing to certain misunderstandings caused during the Perambur Mill strike, the wrath of the Justice Party that was in power at the time in this Council fell on a Brahman Personal Assistant to the Labour Commissioner, and uprooted all the officers of the Deputy Collector's grade, including the Brahman Personal Assistant, and substituted inferior officers of Tahsildar's grade. That was a blow to the progress the department had been making, and told upon the unfortunate depressed classes. Had the officers of Deputy Collector's grade been allowed to remain in the department, the result achieved would be, not two or threefold but tenfold, to that what had been said before.

"Sir, simultaneously with the movement of the depressed classes in 1890, the missionaries sent a memorial to the British Parliament bringing to their attention the condition of the untouchables. As a result of an enquiry the Government issued a G.O. No. 1010, dated 30th September 1892, to grant these people waste land. Another G.O. No. 65 of 1893, was also issued to impart education to these people which was considered as the *Magna Charta* of the depressed classes. But within a few years both these Government Orders were reduced to dead letters by the caste-Hindus. From that time, up to the establishment of the Labour Department, no effective steps were taken by Government, as I said before, for a period of twenty years.

"In the year 1892 the Collector of Chingleput, in a report made to the Board of Revenue (Revenue Settlement, Land Records and Agriculture, 5th November 1892, No. 723 and G.O's., Nos. 1010, 1010-A, Revenue), dated 30th September 1892, stated the condition of the oppressed and forms of oppressions as follows :—

'There are forms of oppression only hitherto hinted at which must be at least cursorily mentioned. To punish disobedience of Pariahs, their masters

(*a*) bring false cases in the village court or in the criminal courts ;

(*b*) obtain, on application, from Government waste lands lying all round the paracheri, so as to impound the Pariahs' cattle or obstruct the way to their temple ;

(*c*) have mirasi names fraudulently entered in the Government account against the paracheri ;

(*d*) pull down the huts and destroy the growth in the backyards ;

(*e*) deny occupancy right in immemorial sub-tenancies.

[Mr. R. Srinivasan] [28th February 1930

(*f*) forcibly cut the Pariahs' crops, and on being resisted, charge them with theft and rioting;

(*g*) under misrepresentations, get them to execute documents by which they are afterwards ruined;

(*h*) cut off the flow of water from their fields;

(*i*) without legal notice, have the property of sub-tenants attached for the landlord's arrears of revenue.

'It will be said there are civil and criminal courts for the redress of many of these injuries. There are the courts indeed; but India does not breed village Hampdens.

'One must have courage to go to the courts; money to employ legal knowledge, and meet legal expenses; and means to live during the case and the appeals. Further, most cases depend upon the decision of the first court; and these courts are presided over by officials who are sometimes corrupt and who generally for other reasons sympathise with the wealthy and landed classes to which they belong.

'The influence of these classes with the official world can hardly be exaggerated. It is extreme with natives and great even with Europeans. Every office, from the highest to the lowest, is stocked with their representatives, and there is no proposal affecting their interests; but they can bring a score of influences to bear upon it in its course from inception to execution. True as this is of the landed classes generally, it is true in a high degree of the mirasidars of Chingleput and Tanjore.'

"Those conditions and oppressions still remain the same. In Malabar an untouchable entered into a caste-Hindu street. He was chased closely by caste-Hindus. To save himself from the hands of the caste-Hindus he jumped into a river, the man being exhausted was unable to swim and drowned and died. In Conjeeveram taluk, Angambakam village, caste-Hindus made an organized attack on untouchables' hamlets. One of the inmates of the hamlets had a gun. He shot four caste men dead, and injured three. The District Judge sentenced him for transportation. But the High Court Judges acquitted him. The police confiscated his gun. In an other village of Chingleput, Baswanatham, caste-Hindus caught four men and tied them up to posts, gave them good beating and let them go because they walked through caste-Hindu street with their shoes on. I can quote several instances that were brought to the public notice, all within a year. Had the police, which is of mostly caste-Hindus, taken drastic and effective steps, these oppressions would not have increased. By the negligence of the Police the caste-Hindus are encouraged, and the patience of the oppressed untouchables was tried to such an extent as to break into a revolt. I wish to bring these facts to the notice of the hon. Member in charge of the Police portfolio.

"Then, in coming to the question of education under the management and control of the local bodies, these institutions are managed by elected members, who are caste-Hindus, who look to the interests of their electorates who are of land-owning classes, and who live upon the labour of the depressed classes. The Education department should directly deal with these schools whether elementary or secondary and, that without outside influence. I therefore think that the education portfolio should be in the hands of the reserved

28th February 1930] [Mr. R. Srinivasan]

half till the members of the depressed classes are raised to a satisfactory level. Special attention should be paid to the depressed classes till they are sufficiently advanced."

* Mr. MOTHAY NARASIMHA RAO :—" Mr. President, Sir, I take this opportunity to congratulate the hon. the Finance Member on presenting a seemingly prosperous budget. But I regret to say that I must protest against any suggestion of an additional taxation. Sir, a careful perusal of the budget and also the speech of the hon. Finance Member made on the floor of the House would convince any Member that an additional taxation is hinted indirectly. If this is true, I take this as my earliest opportunity to sound a note of warning to the Government not to take any such measures. You are aware, Sir, that the poor ryots are already heavily burdened with taxation and any further taxation on them would be merely putting the last straw on the camel's neck as was rightly said by my hon. Friend Mr. Arpudaswami Udayar.

" Taking the question of resettlement into consideration, I may make mention here that the people of my district, i.e., West Godavari, and also of Kistna and East Godavari, are under a strong belief that the Government will consider their grievances fully and redress them. They have proved by documentary evidence before the Economic Enquiry Committee elected by this House that they were submerged already in heavy debts incurred for their cultivation expenses. We all know that the price of paddy is considerably reduced and the expenses of cultivation have risen to a considerable extent. It would be improper and unjust if the Government under these conditions were still to continue their policy of levying fresh taxation. I have therefore to criticize strongly the observations made by the hon. the Finance Member in connexion with the Economic Enquiry Committee's report and would urge earnestly on the Government to give immediate effect to the recommendations contained in the said report before the ryots take to other undesirable steps such as the no-tax campaign. I hope that the Government will rise to the occasion and see that no Bardoli is repeated.

" Coming to the question of local bodies and municipalities, I regret, Sir, that sufficient funds are not allotted in the budget to meet the growing demands of these bodies, though municipalities in our country are, among the most valuable part of our organizations, for they create and carry into execution those principles of self-government which are the life and action of every nation. Under these circumstances, Sir, I request the hon. the Minister for Local Self-Government to see that sufficient funds are allotted to meet the demands of these institutions and once again I appeal to all the hon. Members of this House to vote against any measure of further taxation."

* Diwan Bahadur B. MUNISWAMI NAYUDU :—" Sir, I join my hon. Friend Mr. Sami Venkatachalam Chetti in expressing our regret at the inability of the hon. the Finance Member to be present here in the Council, and I join with him in the hope that he will soon be restored to his fullest vigour and health and that he will be spared for a long time to enjoy it. Having said that, I wish to say a few words as to what I feel is the effect of the budget discussions on the budget, in my experience of the last eight or nine years. Sir, it seems to me that in this diarchical constitution, whatever may be expected of the Ministers and whatever pressure is brought to bear upon them by the

[Mr. B. Muniswami Nayudu] [28th February 1930

Council, unless the Finance Department is also in a mood to co-operate, there seems to be no chance for the hon. Ministers or for the Council or both together to have any influence so far as the budget is concerned. It has been our experience that in regard to various grants that are moved, possibly there is only one single grant in which the hon. the Finance Member comes in and it is only in that, if at all, that he can be effectively made to feel the pulse of the Council. Our attempts have been to see that the Finance Department is made to yield and move on with the feelings and the current of the Council; they have not been availed of, and to-day we stand in a mood of despair in the matter of influencing the budget or budget discussions or even discussions on voting. It is because we feel that the real governing department of the country is the Finance Department. Sir, I shall illustrate what I mean by that, and I shall proceed to discuss one or two points which the hon. the Finance Member has stated as a warning to the Council. He told us that he was always one of those that fully realized the good which the Reforms gave us and that the Reforms vested real power in the Councils and he emphasized it by saying that it was this power vested in it that made it possible to force the hands of the Government to think of prohibition even to the extent to which my hon. Friend the Second Minister went; that is by sanctioning four lakhs in the current year for expenditure on propaganda and by putting down another five lakhs for the next year. He even goes further and says that the influence which the Council exercises must not stop there but that the responsibility must go further to help the Government, in regard to the proposals to reduce land revenue to stagnation, and to annihilate the excise income, by taking up the responsibility to sanction substituted income to carry on the administration. I am sorry that the hon. the Finance Member is not here and I will tell the whole Government that if this Council is given real power, it would discharge that responsibility most willingly. The Council would then see what taxation ought to be levied and what particular taxes have to disappear and so on.

"Sir, the hon. the Finance Member drew our attention to land revenue. He said that the report of the Economic Enquiry Committee in regard to the resettlement proposed for East Godavari, West Godavari and the Kistna districts is now before the Government. He was not able to tell us what exactly are the recommendations of that committee, but he takes us into his confidence to this extent that the report evidently supports the public view and the views of the people and that economically considered, the people are not in a position to pay any increased rates with regard to land revenue.

"He then proceeded further to say that if this is the postulate that can be accepted as conclusive, then it follows that in regard to all other districts which are less advantageously situated in the matter of irrigation facilities, there would be no case for raising the land tax and that that will mean stagnation in land revenue. Sir, as to what the Government are ultimately going to do with that report, we do not know, but I may only suggest this for the consideration of the hon. the Revenue Member who will deal with this subject. It was at the request of this House that the Committee was
12-30 p.m. appointed and this House elected the members. It had reported rather late and we are now on the eve of the general elections. I do hope that Government will give us an opportunity to discuss that report and express our opinion on the matter before this Council is dissolved, or they would stay their hand in passing final orders on that report till after the next Council

28th February 1930] [Mr. B. Muniswami Nayudu]

meets and discusses the report. I do hope and I sincerely entreat the hon. the Revenue Member not to be hasty in passing orders on that committee's labours. Sir, if the Government are to pass final orders without giving this House or the next Council a chance to discuss that report, I feel there will spring up an awkward position and there is likely to be a conflict between the Executive and the Council. I do hope that the hon. the Revenue Member—I know he is very sympathetic in these matters—will not give room for that situation to arise.

"With regard to the question of the future of our financial resources, the hon. Finance Member gave a note of warning that a serious situation has been reached in that respect. I hold that the whole land revenue policy of our Government is being conducted on entirely wrong lines. I think that if there is a real case for further taxation by Government the only and right policy will be to bring a Finance Bill before this Council, get it discussed and then passed. But what is done now? Government do not and need not come to this Council but they have got power to make automatic increases in taxation on the ground of rise in prices by 15 or 20 lakhs per year, the rate of increase varying with the conditions of each district. To justify this increase Government every year show us an increase of expenditure and say that there is no other source of income except land revenue. Till 1926–27 we had to pay contribution to the Imperial Government and it had been remitted wholly. And what happens with the money so realized? At the end of each year we are shown that there is a balance available and the Government say that this amount is reserved for expenditure to be incurred in the next year. And yet during the course of the year when we ask for money for any scheme that we may put forward, Government Members jump up and say that there is no money. Now let me support my point by quoting a few facts and figures. If you turn to page 6 of the Budget Memorandum you will see that from the year 1924–25 to 1928–29 there is always a surplus of revenue over expenditure charged to revenue of at least one crore each year and that the figure has been increasing year after year. Thus while the surplus in 1924–25 is 98·37 lakhs, that in the year 1928–29 is 139·14 lakhs. Now what does this show? Government have been taking from the people more money than they actually needed. And as I remarked a few minutes back, in spite of their efforts to find expenditure for all the money, they unfortunately are unable to expend them; and in some cases the departments to whom the money is given are not able to utilize it.

"I remember, Sir, that when the Stamp Act Amendment Bill was introduced in this Council some years back it was urged by the then Opposition, that the Bill must be in operation only for a year or two and that a separate Bill should be introduced if the increase was required further. But the move unfortunately failed. Under this head an excess income of 35 lakhs of rupees was expected and it was understood that that amount will be utilized for increasing salaries of village officers. But even after the remission of the provincial contributions, the Government have not thought it worth their while to move in the matter.

"Before I proceed further, I wish to repeat once more what I said a few minutes ago that if the Council has to get real control over our finances, the only way in which it can be done is by forcing the Government to bring forward before this Council their proposals to increase the taxation or to introduce any fresh taxation and by abolishing the present power of the

[Mr. B. Muniswami Nayudu] [28th February 1930

Government to fall back upon automatic increases in land revenue. I may be permitted to observe that the present system leads only to irresponsibility, extravagance and waste; and during the last ten years the Government have allotted sums of money on a lavish scale almost quite irresponsibly, and as was pointed out by the hon. Finance Member in his note the departments also have been extravagant in their demands. They have not been able to budget properly and what amount of money they were granted they were not able to utilize. And as a result of this they are always budgeting for more expenditure. And this year they have altogether budgeted for an excess of 50 lakhs of expenditure more than the revenue. The only reason they put forward is that the Public Works Department and the local bodies are big items and that they have to be provided for.

"Then coming to the stamp duty, it is said that if we are to go to the old rates of stamp duty and court-fees, it will involve a loss of 70 lakhs. I do not think that I need take that statement seriously, and argue that this estimate is not quite correct. For if according to the budget estimates a proper account is taken, I see that the loss will be only about 50 lakhs. Because in 1920–21 the income from stamps was 178 lakhs, in 1922–23, in which year the higher rates came into force, it was 219·84 lakhs, that is, an increase of about 40 lakhs; and then in the subsequent years we find that there is an increase in the income from stamp duty owing to the increase in litigation and increased transactions and other things. So that in the budget for the present year we find that we expect an income of 253 lakhs from stamps. The difference between the figure for 1920–21, when the stamp duty was low, and that for the present year works to about 72 lakhs. Therefore the normal increase in stamp revenue during the last three years is about 31 lakhs, which will work up to about an average of ten lakhs. Now if the stamp duty had been reduced during the past few years, the loss in revenue will not be 70 lakhs of rupees as the Government suggest but only about 50 lakhs which can easily have been made up from the contribution which was released. Instead, what do we see? The large amount of money that has been thus raised has been turned into brick and mortar. Therefore, Sir, I feel that the case for reduction of stamp duties has not been sufficiently refuted. I am sorry my esteemed friend Sir Krishnan Nayar when he was on this side very vehemently fought for this cause, but when he went over to the Treasury Benches he did not do anything in the matter, either because he did not believe in what he was saying (Mr. A. Ranganatha Mudaliyar: 'Hear, hear') or because he was not able to influence the Finance Department; and I think probably the latter is nearer the truth. For I believe that if there is any department which is very much against this proposal it is the Finance.

"Then, Sir, coming to excise, we see that there is the proposal to do propaganda work for the cause of prohibition. Though Government have been advocating it for the last three years yet nothing has been achieved by way of prohibition. This year four lakhs have been allotted for this cause and next year there is a provision of five lakhs. I am one of those who think that if Government are to do propaganda side by side with keeping the toddy shops open, this propaganda will be quite useless. At the same time I seriously think that this propaganda will have to be done ultimately when prohibition is adopted, and so I thought it better to start it even now and so I voted last year for the grant of four lakhs under this head.

28th February 1930] [Mr. B. Muniswami Nayudu]

"So far as the question of excise revenue itself is concerned, I do not think there is any reason to fear any reduction of revenue under this head unless we adopt complete prohibition. In the memorandum of the hon. the Finance Member we find that they anticipate a reduction of 27 lakhs under Excise. But I fail to see how this can come about so long as they pursue the present policy; and I fear that the revenue will be on the increase rather on the decrease. For under excise the actuals for the year 1928–29 are 558·76 lakhs, the revised estimates for the current year 1929–30 are 596·39 lakhs, and the budget estimate for 1930–31 is 565 lakhs. Now from the figures one will see that there is not much difference between the figures for the years 1928–29 and 1930–31. There is a difference between the revised figure for 1929–30 and the budget estimate for 1930–31 but I am sure when the revised figures for 1930–31 came to be prepared, the difference will easily vanish.

"Then, Sir, the hon. the Finance Member was, I think, speaking both on his behalf and on behalf of the Government when he in reviewing the finance of the province during the last five years drew the attention of the House to a catalogue of improvements made. He said that the expenditure has increased enormously and he quoted that as an evidence of the progress of the country. But I would ask him that the progress of the province is to be judged not by the amount of increase in expenditure but by putting to oneself the question 'what increase in the prosperity of the people there has been and how far their economic condition has been improved.' 12-45 p.m.

"What have you done in the administration of these five years to decrease the poor people's burden, to make them feel happier and more cheerful? There is much trumpeting about the grant made to the Andhra University, the Annamalai University, the 'brick and mortar department' and all those things. But what about the poor man, his household, his food, his surroundings and even his ordinary drinking water? A sum of Rs. 7 lakhs was set apart for the purpose of village roads during the time of the Raja of Panagal, at a time when there was not much money going round and at a time when the Imperial contribution was there. But to-day the same seven lakhs are provided and nothing more. We told the hon. the Chief Minister last year on the floor of this House that the conditions of the villages have not been looked after and that the needs of the villages have been neglected. At the budget time, I proposed a cut but did not press it. The Chief Minister called for a conference of some presidents of district boards, some of whom are members of this Council and the Chief Minister wisely got the Finance Member also to attend. We talked about the needs of the villages and what was the ultimate result? Some provision is made for the trunk roads. But what about second-class roads, the village roads? What about the rural development fund? So far as that fund is concerned, we made the modest request that 50 lakhs of rupees out of the savings of these years might be set apart so that the local bodies and other bodies interested in the improvement of village amenities might be given a chance to spend it in the course of 2 or 3 years without having to depend merely upon doles. The hon. the Finance Member says that the proposals were vague and nebulous. I do not know what to say to that. He says 'No doubt it would be possible to evolve a better scheme.' But he adds 'sheer financial impossibility puts any further consideration of the suggestion out of the question.' What is the financial impossibility? The Government finds it a financial impossibility to provide Rs. 50 lakhs for rural development fund. On the other hand, you are prepared to give Rs. 36 lakhs to the Andhra University. You are prepared to

[Mr. B. Muniswami Nayudu] [28th February 1930

give Rs. 22 lakhs to the Annamalai University. You are prepared to give Rs. 30 lakhs for the remodelling of the Christian College. You are prepared to give Rs. 5 lakhs to the Madras Corporation for constructing over-bridges to help the railway companies. I am sorry I shall not be in my place to hear the Finance Member's reply because I have got an engagement to attend this evening. But I hope the hon. Member and the Chief Minister would stand up and say what was the financial impossibility. When the Minister takes the responsibility upon himself to urge upon the Finance Member and induce him to give 36 lakhs for the Andhra University, does he find it impossible to ask the Finance Member to provide for the road development fund? He has agreed to the constitution of such a fund in the Local Boards Amending Bill. He has agreed to the rural development fund there. I ask if he has gone to that extent why not go further? It was expressed in the Select Committee on the Local Boards Bill that there must be a guarantee from the Government to contribute an equal sum if the local bodies on their part would come forward with a certain amount. We did not press for it because he said he would try to do that. The hon. the Finance Member says there is no money for 'frills and flowers'. Large amounts of money are being spent on things such as the reconstructing of a college, grants to Universites and construction of an overbridge, while the whole mass of the population are indebted and cannot live in decent surroundings. I hope, Sir, that these things would be taken into consideration and relief given to these poor people both in the way of reduction of taxation and by way of better facilities. I can only say that the whole Government has failed and failed miserably to justify itself on this matter.

"Sir, the budget that has been presented is not at all satisfactory. As I said, it is the system that is responsible and the sooner it is done away with the better. I can assure the hon. Member that this Council will take the responsibility to find substituted revenue if it is really necessary.

"I have only to say that so far as the administration of local bodies is concerned, the amending Bills would come into operation and all points of soreness in the administration of these bodies will be removed. May I in all humility suggest to the hon. the Chief Minister not to usurp the power of the courts? What do we find? Elections are held, petitions are put in, officers are asked to enquire into the irregularities and then orders are passed, and those orders are irrevocable and the aggrieved parties are not allowed to go to court. I refer to the election of President, District Board, Tanjore. While there is a petition in court on the matter, the Minister hears long arguments on the very question. I would appeal to him not to take up that attitude but to allow the parties to go to court and have their rights settled."

Mr. K. P. RAMAN MENON :—"If only five minutes are allowed to me. . ."

* The hon. the PRESIDENT :—"The Council will adjourn at 1 p.m."

Mr. K. P. RAMAN MENON :—"Naturally my remarks must be scrappy. It is also an advantage to me so that I can as far as possible minimize my remarks and not roam over the wide field which is open for us with reference to the budget. The first remark that I have to make is that it is not the budget of a Government but it looks more like the budget of a private individual. One of the first principles of public finance is that, as a matter of fact, we must be able to approximate the income to the actuals as far as possible. They must bear a close resemblance to one another. Then again, there is

28th February 1930] [Mr. K. P. Raman Menon]

another thing which has to be borne in mind. You say that you are going to spend so many lakhs; you must spend the whole of it and not say at the end that about three-fourths are not spent. It is not proper. There should be no balance left. If a balance is left, as Diwan Bahadur B. Muniswami Nayudu suggested the tax must be reduced. There should be no balance left in public finance. It is not a private man's property and you should have no surplus at all. If there is any scope for surplus, you must see that the taxes are reduced. In this connexion, I have to point out that with reference to court-fee and stamps the promise held out by the Government long long ago ought to have been fulfilled. Then again, I am not so pessimistic as the Finance Member in connexion with the expansion of land revenue. There are acres upon acres of land, at any rate in my district, which have not been opened up and which will be opened up if there is economic pressure on land. Then again, Sir, this House, as Diwan Bahadur B. Muniswami Nayudu pointed out rightly, will take upon itself the responsibility of additional taxation if powers are given to us to rule the Finance Department. As it is, as was pointed out, the Finance Department rules every other department and when there is a question of money, they say there is no money. That ought to be remedied. I learn—it is news to me—that in many districts there is no drinking water available. At least I never heard of that and I must plead guilty to the charge of ignorance on that point. In my district where we have copious rainfall we never thought of the deficiency of water-supply elsewhere. I was staggered to hear that the other day. The Government ought to set apart a sinking fund for that purpose. That is the least which the Government could do. Then again, coming to my own district, I must say one thing, that Malabar beyond having the privilege of being taxed gets nothing at the hands of the Government. No doubt, we have got the stationary Government there and that is the only thing. Thanks to our rainfall, we have not to depend upon irrigation projects to any great extent. The Government think that they can wash their hands of Malabar. 'You have got rainfall, we need not do anything for you'—that is the attitude of the Government. Sir, if they cannot spend money on Malabar in other respects, can they not do something for medical relief and good water-supply for the towns in the district? Have they formulated any scheme of water-supply for the Calicut Municipality, Tellicherry or Palghat? Have they bestowed their best attention on the Calicut Hospital? I have been told and I have read from newspapers that various schemes with reference to the Calicut hospital were proposed but has anything materialized? That ought to have been done long long ago. I hear the Calicut hospital is going to be shifted to the Mission buildings and I have heard that statement contradicted. I wait to hear from the hon. Mr. Muthia Mudaliyar who, I dare say, will enlighten me on the subject. I would humbly pray to Government that they will give at least water-supply to the towns and will equip a first-class hospital for Malabar. Of course, my time is up and I do not want to take up any further time."

The hon. the PRESIDENT :—"The Council will now adjourn and reassemble at 3 p.m." 1 p.m.

After Lunch (3 p.m.).

* The hon. Mr. M. R. SETURATNAM AYYAR :—"Sir, I am thankful to the hon. Members of this House for the useful suggestions and criticisms they have made on the working of the nation-building departments under my

[Mr. M. R. Seturatnam Ayyar] [28th February 1930

charge. I shall try to answer the criticisms that were made against the departments under me, as far as possible.

"Coming first to Agriculture, my hon. Friend the Member for the University, Mr. T. S. Ramaswami Ayyar said that the results of the chemical manures are not published and made available to the public. I can say that the results on the use of the chemical manures are now published as annual reports of the Agricultural Research Stations. These reports are highly technical and are placed in the Legislative Council Library available to the M.L.C's. though not to the public. Hereafter it is prosposed to get these reports in a popular and readable style and made available to the public.

"The Raja of Parlakimedi referred to the question of improving irrigated Cambodia cotton. This question will be carefully examined and suitable action taken.

"There are now 21 experimental farms maintained at a cost of 4 lakhs. The whole Presidency with the exception of the Agency tracts is benefited by the experiment. For instance, there are about a lakh of acres under improved strains of cotton. About 190 tons of paddy seed and 440 tons of cotton seed have been distributed last year. There is no proposal at present to open a farm in Ganjam. The policy is to carry out demonstrations on the ryots' own lands.

"In regard to tobacco, I may say that some work is being done at the Guntur station.

"Replying to the remarks of Mr. Abdul Hye, I may say that there are 12 circles in the Civil Veterinary Department at present, each in charge of a District Veterinary Officer. Apparently, the hon. Member refers to these District Veterinary Officers. None of these officers belong to the Muhammadan community. Promotion to the class of District Veterinary Officers is made from the selection grade of Veterinary Assistant Surgeons and there is, unfortunately, not one single Muhammadan on this grade also. Now that the Services Commission has been formed and that recruitment rules have been issued for the Madras Veterinary Service and communal rotation has been fixed, if there is scope and if suitable men are available the claims of this community will doubtless be considered by the Director, when submitting proposals for the appointment of District Veterinary Officers and by Government when passing orders thereon.

"As regards the serum institute, I may say that I am in full sympathy with the proposal for its formation. A complete scheme is ready for the acquisition of a site and for the provision of buildings, equipment and staff and this scheme can be set in motion immediately the Council makes a grant. But this Government, do not stand alone in this matter. The Government of India have been supplying serum to us and this Government are the largest customers to the Mukhtesar Institute, because Madras is much ahead of any other province in India in regard to serum simultaneous inoculations. To stop suddenly our custom, would be seriously to embarrass the Government of India and endanger the Mukhtesar Institute. Time and opportunity have to be given to the Government of India to make an adjustment.

"The Agricultural Commission have proposed that the Government of India might share the profits of the Mukhtesar Institute with the provinces.

28th February 1930] [Mr. M. R. Seturatnam Ayyar]

While awaiting the opinion of the Government of India on this proposal, I have also asked for the reason for the high cost of the serum at Muktesar. I may assure the House that as we hear from the Government of India, the question will be decided without any delay.

"As regards the building society at Ootacamund, I may state that the previous Registrar of Co-operative Societies made a careful and personal investigation of the affairs of the society and recorded that its applications should be scrutinized with particular care. The present Registrar also agrees with him.

"In the particular case on which he has recently reported, the Registrar has stated that the accounts given by the applicant and by the directors of the society are contradictory. I may assure Mr. Davis that the Registrar would be perfectly willing to grant loans where they could be granted in accordance with the rules.

"In February 1928, a committee of which Messrs. Muniswami Pillai and Davis were members, considered the question of starting a land mortgage bank for the Badagas. The committee accepted the principle that as much help as possible should be given to the Badagas on the Nilgiris to develop the growing of tea and also considered that the starting of a land mortgage bank for financing the Badagas, in which Government should take all the debentures, would help the Badagas in this. None of the members of the committee suggested that the bank should also finance others than the Badagas. Although a later committee suggested that the bank might be territorial rather than communal, the original intention to limit the bank for the benefit of the Badagas was kept to. If there is a real demand from the depressed classes in the Nilgiris for a land mortgage bank, the question of starting a new bank or extending the scope of the present bank to cover their needs will be considered.

"As regards the criticisms on the Public Works Department, I may say that during the war time and immediately thereafter there was drastic retrenchment of expenditure. This affected the operations of the Public Works Department most. When normal conditions were restored, all departments brought forward and are still bringing forward their accumulated programmes. According to the existing orders, the preparation of detailed plans and estimates for work can be taken up only after funds are provided and usually it takes time, according to the size of the work, to get estimates ready. Even after detailed estimates are sanctioned, some preliminaries have to be gone through before a work can be started, viz., tenders have to be called for and contractors settled. These preliminaries generally take up a long time. With a view to avoid such lapses, orders have been issued in G.O. No. 1278 W., dated 25th April 1929, restricting the provision to be made for new works. In the estimate for next year, provision for new works has been cut down to the barest minimum and there will not be such lapses in future. The Public Works Department are not responsible for savings which cannot altogether be avoided for the reasons already explained."

* The hon. Mr. S. MUTHIAH MUDALIYAR :—"Mr. President, Sir, the last speaker this morning was Mr. K. P. Raman Menon and he asked me for some information about the Calicut water-supply scheme and the Calicut hospital. The question of the Calicut hospital has been under the consideration of the Government for a good length of time. (Mr. K. P. Raman

[Mr. S. Muthiah Mudaliyar] [28th February 1930

Menon: 'When will it come to an end?') I hope it will come to an end soon. In the year 1926–27, the Government decided upon acquiring some site belonging to the Church Mission, which is next to the present hospital compound and that scheme was about to be carried out, when there was a good deal of opposition not only from the Christian inhabitants of Calicut, but also from the people of all communities of Calicut. So, Government had to give up that scheme and look for alternative sites. About half-a-dozen sites were inspected by me, the Surgeon-General, the Director of Public Health and the Director of Town-Planning and finally only two sites were selected. One of them is the site opposite the Women and Children Hospital, where Government have already got some land and the other is beside the American Mission College. The question of what each of these sites will cost and how much land will have to be acquired is under reference by the Medical Officer to the Department of Public Works. We have already sent reminders to the Medical Officer to hurry up the matter and I trust we will have this information soon. As a matter of fact, Government are anxious to finish the Calicut hospital as early as possible and it is only on the objections raised by the inhabitants, that the difficulty arose and the acquisition of the mission site had to be definitely given up.

"Then, as regards the Calicut water-supply, that question has been under the investigation of the Government, and the last time when we had to deal with that question was in June 1929. There are two alternative schemes—one a 15-gallon scheme and the other a 10-gallon scheme. These two schemes cost more or less, one I think 15 lakhs and the other 17 lakhs, and the municipality has to find half of the amount. The municipality is now levying a property tax of about 9½ per cent and they have definitely stated by a resolution passed in June 1929 that they would not increase the tax by more than 1 per cent. They have to get a loan of 7½ lakhs and find Rs. 15,000 for maintenance charges per year. Unless, therefore, they agree to raise the property tax to at least 16 per cent, it would not be possible for them to repay the instalments of the loan with interest thereon and meet the maintenance charges. They definitely say that they would not raise the property tax by more than 1 per cent. Under the circumstances, Government have no other alternative but to drop this scheme for the present. When other municipalities are raising their property tax to 18 and 16 per cent, this particular municipality are not prepared to raise their tax. Now, if the municipal council comes forward and are prepared to raise the tax, certainly Government will take up the matter and investigate it.

"I do not think, there are very many points made about the Medical department, but I may say one thing which may serve as an answer to the criticisms made as to how the Government have utilized the additional finances Government had owing to the remission of the provincial contribution. I do not think it will be possible for me to deal with the question in extenso, but I will give certain figures with reference to the Medical department alone. In March 1928, this Government had 96 hospitals under their charge, and maintained by them. In March 1929, from 96 hospitals the number has risen to 203 hospitals, so that about 107 more hospitals were taken over by Government during the year 1928. And, in March 1930 or rather at present, there are about 215 institutions under the management of Government. Naturally, this greatly increased number means proportionately increased

28th February 1930] [Mr. S. Muthiah Mudaliyar]

expenditure and a good deal of money is being spent during the last three years on account of the Medical department than before and more than twice the number of institutions in 1928 are now maintained by Government.

"There has been a complaint that there is not an adequate staff of women medical officers. True. I do not pretend that the staff that we have now got is quite adequate; but I may say that during the last two years there has been a rise of about 50 per cent in the number of women medical officers. In March 1928, there were 64 women medical officers, Sub-Assistant Surgeons and Assistant Surgeons and now there are 96 and there is also a scheme to provide about 17 more during the next year. 3-15 p.m.

"As regards expenditure in the Medical department, it has during the last three years risen from 71 lakhs in 1927-28 to 87 lakhs in the year 1928-29 and a provision of about 92 lakhs has been made in the budget for the present year. As regards the number of patients treated, in 1927 the number of patients was 170,966, in 1928 it was 181,216—an increase of more than 11,000—but I have not got the exact figures for the year 1929. As regards the number of out-patients, the number has risen by more than 5 lakhs between the years 1927 and 1928.

"Mr. P. C. Ethirajulu Nayudu said that the system of rural dispensaries should be extended. I may tell him that in the year 1928 there were 307 rural dispensaries and now I understand there are 380 or 390 and we are making provision for at least 450 rural dispensaries during the next year. The Government are always ready to help the starting of these dispensaries and the taluk boards and local bodies ought to apply for starting these dispensaries and see that as soon as the funds are made available, the work is set on foot and the grant utilized. Mr. P. C. Ethirajulu Nayudu also said that a bigger sum ought to be given as subsidy to those people who are employed in the rural dispensaries. I may tell the House that the amount we pay is not intended as their salary but only as a subsidy to enable them to establish themselves in the villages. As regards the diploma holders—the L.M.Ps.—we have raised the subsidy from Rs. 400 to Rs. 500 and for the midwives from Rs. 100 to Rs. 300 a year and we trust that it will secure competent people to man the rural dispensaries.

"There is another criticism which has been made—I do not say that hon. Members are not entitled to make it—as regards the large lapses in the Public Health Department. True, there has been a large lapse. Local bodies and municipalities ask for grants for drainage and water-supply schemes. We make the grant. In several cases it is seen that the grant is not made use of within the current year with the result that there is now a lapse of about five lakhs. In the case of the Rajahmundry municipality alone, we provided two lakhs of rupees last year and they have till now spent only Rs. 20,000 and the balance is outstanding and will lapse.

"Mr. Sami Venkatachalam Chetti said that the registration charges have not been reduced to the pre-war level; and I am afraid he is mistaken. The pre-war rate was Rs. 10 for registration of documents; now also the rate is only Rs. 10. The pre-war rate for attendance on private individuals was Rs. 20; it was reduced to Rs. 15 in the year 1928 and now in the case of women, it has been reduced to Rs. 10 from April 1930. In the case of

[Mr. S. Muthiah Mudaliyar] [28th February 1930

hammamnees who are to help gosha women in the registration of documents, the rate has been reduced to Rs. 2. True these are not very great reductions each by itself but when taken together, there has been a reduction of about 5 or 6 lakhs of rupees a year.

" As regards the provision of funds for good drinking water-supply in rural areas, a sum of four lakhs of rupees was provided in the budget prior to the last one; but the local bodies were only able to spend Rs. 2 lakhs because the Government do not make the whole grant for water-supply, and local bodies were not ready with their contribution. Hence these lapses which are so much complained of. The responsibility for water-supply is not only with the Government but with the local bodies also."

Khan Bahadur S. K. ABDUL RAZACK SAHIB Bahadur :—" No, Sir, it is the Public Works Department, who are in charge of water works and they are responsible." (Cries of 'Order, Order.')

* The hon. the PRESIDENT :—" Monosyllabic ejaculations are permissible but not long sentences."

* The hon. Mr. S. MUTHIAH MUDALIYAR :—" Thank you very much. As regards water-supply in the localities inhabited by the depressed classes, it has been taken over by the Labour Department. I think that there is a provision of 7 lakhs for water-supply in the quarters occupied by the labouring classes. This shows that Government are anxious and willing to provide the necessary funds for water-supply.

" Then I come to the question of the Excise policy of the Government which has been so much the object of attack in this Council. I do not wish to repeat what I said last year; I shall only give a brief summary of what additional information I have to give in the matter. The hon. the Finance Member has said in his note that the scheme of propaganda came into existence late last year and some district committees were organized in October last year. Some of them have been working from November and some only from December and some even from January so that every hon. Member of this House will agree that it is too early to judge of the results. I cannot say that so far no success has been achieved. People who have been perusing the local dailies during the last twenty days will find that in important places like Tenkasi in Tinnevelly district, Shiyali in Tanjore district and Tiruchengodu and Namakkal in Salem district and in the Ceded Districts and in South Kanara, I think, in the taluk of Puttur, toddy shop renters have resolved at a meeting to memorialize to the Government saying that they should be excused from payment of further instalments. Some of the committees have come into working order during only the last two or three months and we have to wait and see how far this propaganda will affect the excise revenues of the province during the next year; the Government want to give the system a fair trial and see what effect it has in the achievement of the goal of prohibition. This Council has passed a resolution saying that total prohibition ought to be adopted during a number of years; but no practical effect was given to that resolution till this scheme was started and organized by the Government. That I consider is by itself a sufficient advance which the Government have made and I think that the cry that the Government have no policy on this question of prohibition is, I submit, entirely wrong. They have admitted that prohibition is the goal of

28th February 1930] [Mr. S. Muthiah Mudaliyar]

this Government. Till then it was only a pious resolution of this Council which had not been accepted by the Government. Now they have accepted that prohibition is the goal of this Government, and hon. Members will think it a sufficient advance in the policy of the Government."

Diwan Bahadur R. N. Arogyaswami Mudaliyar :—" The Government have even before expressed total prohibition as their ultimate goal."

* The hon. Mr. S. Muthiah Mudaliyar :—" I should like to be enlightened as to the Government Order in which the Government have decided on prohibition as their policy."

Diwan Bahadur R. N. Arogyaswami Mudaliyar :—" Government Order of September 1926."

* The hon. Mr. S. Muthiah Mudaliyar :—" I have seen them all. The Government have adopted a policy which they thought would facilitate this present policy. We have decided to try total prohibition in certain areas in the three taluks of Tiruchengode, Namakkal and Rasipuram in the Salem district, from the 1st April 1930. The Commissioner was deputed to investigate the conditions prevailing in that part of the district and the Commissioner has reported that public opinion has been so far educated that we can with success adopt total prohibition in the said taluks. Orders have been issued that from the 1st of April 1930 prohibition is to be introduced there as an experiment.

" As regards prohibition of arrack, it was tried in five taluks and it was found to be a success in two or three taluks and it proved to be a failure in the other taluks. In spite of the failure, they have extended it to one other taluk and it will be continued during the present year. Rationing is one of the methods which has been thought of, tried by the Bombay Government and abandoned by them. We do not want to try it wholesale. Last year we tried it in three municipalities of the Vizagapatam district, and this year it will be extended to the rural areas in four or five taluks of the Vizagapatam district, so that there will be rationing in a good large portion of that district. These are the various methods suggested by various people. Some hon. Members of this House said that this propaganda is done by private organizations in various countries and that there is no instance of any Government doing it. If the Madras Government have the privilege of starting it, the credit is greater to the Madras Government. But, even before the Madras Government started this scheme, it had been thought of in Sweden, as I now understand from a journal received some time ago that from the year 1892 the Government of Sweden had been interesting themselves in this matter, and various departments of the Government there were asked to carry on this work. One of the reviews in a journal issued by the Swedish Government gives reference to this and also to the experiment started by the Madras Government. (Mr. Ramanath Goenka : India is not Sweden.) I know that. The Federated Malay States have thought of trying this experiment, and lately we had the Deputy Registrar of Co-operatives Societies of the Federated Malay States exhibiting a temperance propaganda film among the labourers in the rubber plantations in the Federated Malay States. The Federated Malay States is doing it as part of co-operative propaganda. In Mexico they are doing it. Even if no other Goverment does it, there is absolutely no reason why our Government ought not to start it. I think

3-30 p.m.

various journals in this country and other countries have reviewed this scheme of propaganda which has been started by the Madras Government. I do not think I need take up the time of the House by referring to all of them, but I will refer only to a few of them later on.

"Then, there is the statement in the Finance memorandum on which the hon. Members of this House laid rather much stress during the course of the discussion. There was an increase on the budgeted figures during the year 1929–30 as regards revenue. Rentals from shops during the year 1928–29 was Rs. 1·42 lakhs, and during the next year 1929–30 it was 1·52 lakhs or a rise of 10½ lakhs. How there has been a rise of 10½ lakhs I will try to explain. Not that the number of shops has increased; on the other hand, there has been a reduction of 40 in the number of shops. Sir, when the renters of various places found that Government were trying to reduce the number of shops, each man thought that his shop would be closed and was prepared to offer a higher rental for the retention of his shop. That is how with a reduced number of shops we were able to get 10 lakhs more during 1929–30. We have actually reduced the number of shops, but the rentals from the remaining shops yielded much more revenue.

"As regards the consumption of toddy, it is calculated on the basis of the number of trees tapped–the number of trees marked in 1927–28 was 2,649,231, and during 1928–29 it was 2,647,923, and there was thus a reduction of 2,000 trees. (Khan Bahadur S. K. Abdul Razack Sahib Bahadur: A very big reduction.) (A number of voices were heard by way of interruption.)"

The hon. the President:—"Let not the interruptions take the shape of a *viva voce* examination."

* The hon. Mr. S. Muthiah Mudaliyar:—"As regards arrack, there has been an increase in consumption of 7,000 gallons for the whole Presidency. It is not the increase in consumption of this 7,000 gallons that accounts for the whole increase in revenue. It is due to the higher price paid for each shop by the renters that accounted for the difference in rentals alone this year from arrack and toddy which came to about 19 lakhs. In the number of arrack shops also there is a diminution. (Mr. Daniel Thomas: Why not ration the arrack?) We are trying it in the Vizagapatam district. In the budget for 1930–31 we have calculated the likely fall under the various items of excise revenue, and we have calculated a fall in arrack of Rs. 5 lakhs, in licence fees for shops Rs. 6 lakhs, in tree tax Rs. 6 lakhs, licence fees of toddy shops Rs. 7 lakhs, opium Rs. 1·79 lakhs and ganja Rs. 83,000. There is also one other thing which I must refer to as accounting for the increase in the arrack rentals. The duty which the Government were levying for arrack was Rs. 8–7–0 a gallon. In Ganjam, they have raised it in 1929 to Rs. 10–10–0. That accounts for a good deal of the increase in revenue. For the same quantity we are now charging more. We have done the same thing as regards Chingleput also. As regards the Ceded districts, there has been a rise of seven annas a gallon. All these various things contributed to the increase in revenue, and I am perfectly sure that the anxiety of the hon. Members of this House is not that the revenue should be lost, but that there should be a reduction in drink. As the hon. Members are anxious, I am also anxious and the Government are anxious that if the revenue falls or not there ought to be also a diminution in consumption. Not the decrease or increase in revenue is the vital thing in these matters. If for the same quantity of drink

28th February 1930] [Mr. S. Muthiah Mudaliyar]

we are able to get more money or if there is also a fall in the consumption so much the better. That we have really effected. The policy of the Government has been the greater the taxation the less the consumption.

"Then, as regards this propaganda which the Government have started, various journals in this province and outside have reviewed it. I will refer only to some of the reviews about this matter. From the journal 'Prohibition' edited by Mr. C. Rajagopalachariyar, who has been condemning this policy of propaganda started by this Government, and who is not an over-kind critic of the Government, I will read one or two sentences :

'The action of the Madras Government in making a provision in their annual budget for spending Rs. 4,00,000 over Temperance propaganda in the province has naturally attracted public attention, not only in India but throughout the world among Temperance circles. We congratulate the Madras Minister for Excise. Like disarmament, the drink problem is a world issue and any administration that takes a step to solve it finds naturally an international fame.'

"Then, there are various other journals which have advocated the cause of temperance and prohibition for the last twenty or thirty years, and which have referred to the propaganda work of this Government. In one journal, called 'Abkari,' edited by Mr. Frederick Grubb, there is an account given of the entertainment to the Rev. Herbert Anderson, who is himself a temperance worker and Honorary Secretary of the Anglo-Indian Temperance Association in London, and there we find the following reference :

'Mr. Anderson, on behalf of himself and Mrs. Anderson, thanked Sir Deva and the members for their good wishes, and incidentally mentioned that the action of the Madras Government in sanctioning four lakhs of rupees for temperance propaganda in that province was a sure proof that the cause of temperance was gaining ground in unexpected quarters.'

"There are a number of other references which, I think, I need not trouble the House with. But there is only one other matter which I should like to refer to and which is referred to in 'The Indian Temperance News' of November 1929, and the real desire of the Government to introduce prohibition will be apparent from certain Government Orders issued by this Government. Hon. Members of this House will remember that it was once complained in the beginning that officers of the Public Health Department were not allowed to do this kind of propaganda either on prohibition or temperance and the evils of drinking. But Government grew wiser, I believe in the year 1927, which will be seen from the following reference in the number of 'The Indian Temperance News' I already referred to :

'In G.O. No. 924, P.H., dated 11th May 1927, the Government found no objection to officers of the Public Health Department drawing attention in their lectures to the evil effects of intoxicants on the human body and to the evil results on health of an excessive use of them.'

"That was issued in May 1927, as a result of criticism in this Council. Then in June 1929 another Government Order has been issued in which officers of the Public Health Department have been directed to preach against evils not of moderate drinking but against the evils of all drinking altogether. If this is not a large step towards the goal of prohibition which the Government have adopted, I do not know what else is, and that Government Order asks the officers of the Public Health Department to carry on that propaganda as a part of their legitimate duty. The Government view this question not only as one affecting the morals and finances of the people but as a question affecting the health of the people. It is from a public health point

[Mr. S. Muthiah Mudaliyar] [28th February 1930

of view that they have been asked to do such propaganda. These are sure indications to show that the Government have taken to this question seriously, and if the hon. Members of this House and those gentlemen outside who have been associated with this propaganda in district committees will pay as much attention as I think this question deserves, I am perfectly sure that this propaganda will be a success. The House has heard what my hon. and revered Friend, Mr. Kesava Pillai, who is associated with this propaganda in his district, said on this question and the success he claimed for his district. Another hon. Gentleman, Mr. Ranganatha Mudaliyar, reviewed the work of the district committee of which he is the president. The chairmen of other district committees have also claimed some success for this kind of propaganda work, and it will not be profitable for me to refer to all of them. They show that this propaganda is having good effect, and I know personally it is the case in the South Kanara district."

3-45 p.m. * The hon. Dr. P. Subbarayan :—" Mr. President, I do not think I have very much to say in reply to the criticisms advanced these two days, because the criticisms that have been levelled at the departments under my control have been fortunately few. But I think I must reply to one or two questions that have been raised by hon. Members of this House.

" Mr. S. Arpudaswami Udayar remarked that the question of elementary education has not been properly tackled. I would like to remind him and the other hon Members of this House that we did not have a clean slate to write on. We had to carry on a system which has been in vogue during the past half a century or so. It will be agreed that it is not easy to get rid of a system which has been in vogue for such a long time and, besides, the demands from the various authorities, both in the matter of secondary education and university education have not ceased. Fresh demands are every time made on Government both in the matter of secondary education and university education. Only this morning, the leader of the Opposition—I am sorry not to see him here now—suggested that with regard to secondary schools under local bodies, the Government should undertake the responsibility of at least finding three-quarters of the net expenditure on schools. If that is to be done, naturally the Government cannot spend as much as they would desire on elementary education. The sum spent on elementary education by Government in 1920–21 was just over half a crore and to-day, the budget estimates provide for 149·53 lakhs, nearly a crore and a half. This shows that there has been an increase of 300 per cent. In this connexion the Finance Member rightly stressed in his speech the point whether all the sum that has been or is being provided for elementary education has been or would be properly spent on elementary education. It is doubtful whether it is so spent. We are therefore trying to see how we can stop this wastage especially in respect of the sums allotted for elementary education and the new Deputy Director of Public Instruction has made certain proposals with regard to the concentration of elementary education in central schools. This might in a way solve this problem of wastage and make the money allotted by Government go a longer way than has been the case at present.

" The question of compulsion certainly bristles with difficulties and the sum available at the disposal of the Government will certainly not be sufficient for the introduction of compulsion in this province. Naturally therefore we are anxiously watching the experiment that is being carried on in

28th February 1930] [Dr. P. Subbarayan]

the Saidapet rural area with regard to compulsory education. If that experiment succeeds, it is the intention of the Government to try and spread the idea of compulsion in rural areas of other taluks. Perhaps the new Elementary Education Act will be passed before the next budget is introduced. It may then be possible to devise a system of getting all boys and girls in schools at least in the municipal areas concerned. Some attempts have been made in this direction and I can say that it is proving successful in some of the municipalities.

"Mr. S. Arpudaswami Udayar also raised the question of the need for three universities in this Presidency. That is a question which has already been settled by a vote of this House. It is, I am sure, the intention of hon. Members of this House that these universities, having been set up, should be properly financed. I know Mr. Muniswami Nayudu specially stressed on the fact that large sums are being given to these new universities. It is true that more than 30 lakhs were given to the Annamalai University last year and a similar amount has been provided in this budget for being given to the Andhra University. But I am sure hon. Members will recognize that these universities having been set up by Acts of the legislature should be provided with funds for carrying on their work. If funds are not forthcoming from Government, it has been seen that they cannot function seeing that private benefactions are not making their appearance especially in the case of the Andhra University, though I know that a sum of Rs. 3 lakhs and odd now stands to the credit of that university. But this is due to the fact that this university has not been able to do much work and so has fortunately saved this sum to its credit, it must be said, to form a fund instead of frittering it away.

"Mr. Uppi Sahib raised the question of nothing being done for Mappilla education. It was, I think, during the last year's budget discussion that he raised the point that because no religious instruction was given in elementary schools meant for Mappilla children, such children did not attend such schools. This question was at once taken on hand and the Director is now considering a proposal by which Muslim Mullahs could be utilized for giving instruction in the elementary schools so as to attract Mappilla children to such schools. I hope this experiment will be successful and more and more children of the Mappilla community will attend these schools.

"Mr. Sahajanandam referred pointedly to the question of admission of Adi-Dravida pupils in schools. Hon. Members are aware that the Government have issued an order by which schools which do not admit children belonging to all communities will be denied the benefit of provincial grants. We are tightening up our rules and we are trying to see that schools where these children are not admitted are not given grants. I know the complaint has been that in some schools where these children are admitted, the caste children go away altogether. The Director has, in connexion with this, recently issued an order by which these taluk boards and other local authorities have been told that it does not matter even if all the caste children leave the schools, they could still run the schools merely with Adi-Dravida children. I hope that will have a salutary effect and that better sense will prevail among the rural communities. This will have the effect of solving the problem of untouchability as far as elementary schools and institutions that are getting Government aid are concerned.

[Dr. P. Subbarayan] [28th February 1930

"Mr. Ratnasabhapati Mudaliyar talked of having a first-grade college in Coimbatore. I am sorry that in spite of what has been said to the effect that the money at the disposal of the Government should be more and more utilized for elementary education, we still have hon-Members of this House who are looking forward to the opening of more higher grade educational institutions for their own districts. I would like to point out to him that there is a well-conducted and efficient Government College at Palghat not far away from Coimbatore and that if the Members of the Coimbatore district are really keen on higher education they could certainly go to Palghat, their neighbouring district. But I may tell him that in my opinion it is not good to have these first-grade colleges spread all over the Presidency. That is also the view of the Madras University as could be seen from the report of the Madras University Commission. Their idea is that first-grade colleges should be concentrated in as few places as possible so that there can be a large concourse of students helping in the building up of character which is far more important than the mere passing of university examinations. This cannot be brought about if colleges are spread all over the Presidency. I hope hon. Members will realize that the policy with regard to the starting of first-grade colleges has definitely changed both in the view-point of the Government and of the Madras University. It is the intention of both to see that these colleges are concentrated in particular localities so that there can be inter-communication between students coming from various districts.

"Mr. Muniswami Nayudu criticised the idea of giving a large grant to the Christian College removal to Thambaram. I can assure him that this has been decided upon after a great deal of consideration. I am sure hon. Members will admit that the Christian College has done a great service towards the spread of education in this Presidency and that what is being done now is only to help them to continue the service they have rendered to this Presidency from a better place. This grant will enable them to have a really useful residential college with a large area which might lead to a better system of higher education than has been the case in the limited space in which they have had to operate during the last half a century and more.

"Mr. Muniswami Nayudu also criticised the Government taking jurisdiction with regard to elections to local bodies. The Government, I may tell hon. Members, have to take jurisdiction because these bodies, after elections are over, rush to Government with their petitions and some decisions have to be come to before we decide whether a particular election has to be accepted and the name of the elected president notified in the gazette. But, I am glad that this onerous task has been taken away from the hands of the Government by the new Bill that has now been passed and I hope that this complaint will become a thing of the past in the near future.

"Mr. Ranganatha Mudaliyar also pointedly alluded to these actions on the part of the Government. I am sorry that he imputed motives to me. I can tell him that there were no motives in the actions that have been taken by the Government in this matter. The Government might have come to wrong conclusions. But all Governments are after all human and I do not say we are above coming to wrong conclusions. I can assure him, however, that it has not been the intention of the Government to come to conclusions in order merely to carry out some party interests.

28th February 1930] [Dr. P. Subbarayan]

"Mr. President, I have reserved to the last, the question of the rural development fund, because I know that it is causing a great deal of anxiety not only to members of this House, but also to myself. Try what we might, it has not been possible to have this rural development fund definitely constituted. I hope the passing of the two Bills recently by this House will enable us to revive the old scheme under which I know the Government propose to pay a grant to local bodies that constitute such funds. When the assent of His Excellency the Viceroy is received to these measures, I hope to take this question of grant at least in the matter of the rural development fund constituted under these Acts. I can say no more on this subject at present although I know that hon. Members coming from rural localities feel that large sums are being spent in urban areas and that no sufficient guarantee is being given to the rural localities for their improvement. I assure them that I will take up this question of the rural development fund as soon as such funds are constituted under the new Act and bring up proposals for making a contribution by the Government."

*The hon. Mr. A. Y. G. Campbell:—"Mr. President, several hon. Members of the House have referred to the remarks of the hon. the Finance Member relating to the possible stagnation of land revenue if the present custom of resettling districts periodically is abandoned. I do not think, Sir, this is the proper occasion for a dissertation on the desirability of periodical resettlements and on the principles on which they are now carried out. But I can assure this House that the Government, before they enhance the rates, order a very careful and exhaustive enquiry to be made by officers specially trained for the purpose and then they give very full consideration to the reports which they receive and any representations which may be made on the subject. As hon. Members are aware, the Government generally order a very careful economic enquiry to be made in the district and compare the economic condition of the people at the beginning of the current resettlement with that at the end of the previous resettlement. They have also placed a limitation on the amount of any enhancement by laying down that it shall in no case exceed what is justified by the rise in prices and that it shall not exceed $18\frac{3}{4}$ per cent.

"Now, Sir, reference has been particularly made to the Kistna and East Godavari districts and to the report which has been recently received from the committee of the members of this House appointed to conduct an enquiry in connexion with the resettlement that is going on there. That report has only just reached the Government and we have indeed not had time to peruse it, much less to give it that consideration which is due to it. But I can assure hon. Members that we do not intend to make any increase in rates in Kistna and Godavari districts during the current fasli. My hon. Friend the Leader of the Opposition suggested that this House or the next Legislative Council should be given an opportunity of considering the report and passing a resolution upon it. That suggestion of the hon. Member will be carefully considered by the Government. 4 p.m.

"My hon. Friend Mr. Ranganatha Mudaliyar referred to the fact that we did not remit about $1\frac{1}{2}$ lakhs of suspended revenue in Bellary district. May I point out that there has been a certain amount of suspended revenue remitted this year in 26 villages in Bellary and Siruguppa taluks, and this amount is in addition to nearly 2 lakhs of rupees remitted last year in the

[Mr. A. Y. G. Campbell] [28th February 1930

same taluks ? The remitted revenue relates to fasli 1336 but that which is still suspended relates to fasli 1338. We do not remit land revenue that is due to us until we are quite satisfied that it is not reasonable to expect the ryots to pay the amount. As we are custodians of public purse we should be as jealous of granting remissions as we should be in writing off our own private debts.

" As regards the relief which the hon. Member asked for with reference to the loans we hope to be able to issue orders very soon which would meet the hon. Member's very wishes considerably in the direction which he has suggested."

Diwan Bahadur P. KESAVA PILLAI :—" I hope Anantapur will have a share."

* The hon. Mr. A. Y. G. CAMPBELL :—" Yes, Sir, Anantapur also will have a share.

" Turning now to one other point, viz., the Land Revenue Bill, which some hon. Members have referred to and which is referred to on every occasion when there is general discussion of the budget, I am afraid that the position is still the same as it was in the past years. It has been pointed out already that it is not possible for us to bring in a Bill which would give the House the power of laying down what should be the rates of enhancement at each resettlement, and this House has indicated that they will not pass a Bill which does not contain a provision to that effect ; therefore we cannot progress with a Bill any further.

" Turning now to irrigation, it was alleged by some hon. Members that we have not done enough in this respect. But I feel that Government during the past few years have been endeavouring to get into proper order all the existing irrigation works belonging to the Government in this Province. You will find, Sir, on page 34 of the Finance Secretary's budget memorandum, that the expenditure on irrigation and navigation charged to revenue amounts to over 112 lakhs of rupees. Of these 49 lakhs relate to working expenses on irrigation, navigation, embankment and drainage works for which capital accounts are kept, $51\frac{3}{4}$ lakhs relate to other works debitable to revenue and $11\frac{1}{2}$ lakhs to construction of irrigation, navigation, embankment and drainage works. In addition to this the expenditure on the Mettur project chargeable to loans amounts to 116 lakhs of rupees and we have provided also for another 2 lakhs of rupees chargeable to loans.

" I think hon. Members are particularly interested not only in major works but also in minor works scattered all over the Presidency. This has received particular attention in recent years. In 1925–26 the expenditure on minor irrigation works came to $9\frac{1}{4}$ lakhs and in each of the three following years it amounted to over 13 lakhs. The revised estimate for the current year is $16\frac{1}{4}$ lakhs and the budget estimate for next year is nearly 17 lakhs. Reference was particularly made to the Tungabhadra project and the Kistna project. As regards the Tungabhadra project Mr. Ireland's preliminary report is under the consideration of the Chief Engineer, but the geologist has to make an inspection of the site this summer and submit his final report later. One of the objects of the Tungabhadra project is to irrigate the Guntur lands by a diversion dam at Pulichintala, the reservoir site. If this is feasible, the Kistna reservoir project may not be required.

28th February 1930] [Mr. A. Y. G. Campbell]

"Some hon. Members referred to the action taken by the Government in regard to the diminution of water in the Palar river system in this province. I have mentioned that we are collecting some statistics relating to the irrigation works in Palar basin in this province and the Government of Mysore has very kindly undertaken the collection of statistics relating to their irrigation works affecting the same system in Mysore State and as soon as we can exchange these satistics we hope to be able to make such further enquiry as may be necessary as to the deficiency of water in the Palar river system.

"Now my hon. Friend Mr. Kesava Pillai stated that Anantapur was the most unfortunate district with reference to irrigation, that no new irrigation works have been carried out in that district and all the existing works in that district are pre-British. I may inform him that Yellanur project was carried out a few years ago; three other projects have been investigated in this century but have been given up for various reasons; there are five projects under investigation now. We have also spent considerable amounts on minor irrigation works. There are seven minor basins in this district of which five have been investigated: and the other two are under investigation. The investigation in one of these two basins has been practically completed and the memoirs are being printed. Estimates for 167 out of 177 Government works have been sanctioned and 156 have been carried out at a cost of about 1 lakh of rupees."

Diwan Bahadur P. Kesava Pillai :—"Minor irrigation works?"

The hon. Mr. A. Y. G. Campbell :—"In the other minor basin which is under investigation, estimates have been sanctioned for all the 201 Government works and 198 have been carried out at a cost of over two lakhs of rupees. The grants made for minor irrigation works have risen from Rs. 30,000 to Rs. 56,000 during the last four years. Under these circumstances I may say that Anantapur is receiving a certain amount of attention.

"My hon. Friend Mr. Abdul Razack Sahib or some other Muhammadan Member stated that the Muslim community is not adequately represented in the public services. Mr. Abdul Razack Sahib referred to the fact that the Government, although they appointed Mr. Quraishi Sahib as one of the Judges of the Small Cause Court, afterwards took him back. Mr. Quraishi went to Hyderabad State on promotion and I am sure that when a Muslim as Government servant is given an opportunity of obtaining promotion, the Muslim members of this House would not desire the Government to stand in his way of taking up the higher appointment. I would also point out in this connexion that Government have appointed Mr. Ebrahim Sahib as the Chief Judge of the Small Cause Court shortly after Mr. Quraishi's transfer.

"Taking the service as a whole, I find that the number of Muslims among permanent gazetted officers has risen from 57 in 1924 to 74 in 1929; the number of acting gazetted officers increased from 14 in 1924 to 24 in 1929. The Muslim permanent non-gazetted officers on a pay of Rs. 100 or over rose from 317 to 339 and the acting officers on the same pay increased from 98 to 130. Of those on pay between Rs. 35 and Rs. 100 the number of permanent officers who are Muslims increased from 1,498 to 1,770 but the acting officers in the same grade decreased from 428 to 385—a fall of 43.

"Hon. Members will see that there has been considerable increase under all heads except the last—an increase which has been accompanied by a rise in the percentage of posts held by Muslims in each category. 4-15 p.m.

[Mr. A. Y. G. Campbell] [28th February 1930

" As regards the Judicial department there has been increase in the number of Muslim officers. Ten years ago there was no Muslim District Judge at all. Now there are two. There was only one Subordinate Judge then; now there are two Subordinate Judges and the number of District Munsifs has risen from 3 to 6. I feel, Sir, that even if this progress is not as rapid as some hon. Members may wish, it is steady progress and further and more rapid progress must depend largely on Muslims themselves. It is very essential that they should apply for Government services in larger numbers. I am sure that hon. Members do not expect us to pass over many officers who are already in service in order to give Muslims undue promotion.

" I must take the time of the House for a few minutes to reply on behalf of the hon. the Law Member with reference to the administration of justice (A voice :—Where is he?) He has been summoned to Delhi. My hon. Friend, Mr. Ethirajulu Nayudu, referred to arrears in the High Court and the desirability of further measures being adopted to clear them. The House is well aware that two additional Judges were sanctioned recently as a permanent measure. The High Court has now submitted proposals that the jurisdiction of the City Civil Court should be enlarged and that a portion of the insolvency work should be handed over to that Court. Those proposals are under the consideration of the Government. My hon. Friend Mr. Kumaraswami Reddiyar suggested that a reform might be effected by a reduction in the number of courts. I think another hon. Member suggested that we ought to increase the number of courts so that work may be disposed of more promptly. We are endeavouring to keep the actual strength of the courts elastic by having a number of temporary courts in various grades. It is pointed out that there has been a fall recently in the number of suits instituted in the mufassal courts. I find, Sir, that the number of temporary Subordinate Judges' Courts has, as a matter of fact, been reduced from 24 to 20 during the last three years and the number of temporary District Munsifs' Courts from 19 to 15. In the current year you will find provision in the budget estimate for three new additional Sub-Judges and five new additional District Munsifs. All such proposals are originally made by the High Court; they will be very carefully considered by the Government and will go before the Finance Committee and then before this Council.

" Mr. Ethirajulu Nayudu referred to unnecessary adjournments in courts and stated that many presiding officers are late in their attendance. It is not possible to deal with such complaints in a general way, but if particular cases are brought to the notice of the Government I am sure they will be dealt with. He also suggested that the holidays enjoyed by Judicial officers should be curtailed. The Government have already taken action in this connexion; for example the Easter holidays which they are allowed to take have been reduced from 6 to 3.

" The hon. Member Mr. Ethirajulu Nayudu further suggested that the power of appointing District Munsifs should be taken away from the High Court and given to the Madras Services Commission. I am glad of this evidence of confidence in that Commission. As has been already explained to this House, we are precluded from introducing any legislation here which will have the effect of curtailing the powers of the High Court, by section 106 of the Government of India Act.

" He also suggested that the administration of justice ought not to be a source of profit and that court fees should be reduced in consequence. There

28th February 1930] [Mr. A. Y. G. Campbell]

are other matters to be considered in estimating the cost of administration of justice besides those appearing under this head in the budget ; an estimate was made a year or two ago to ascertain the real cost of administration of justice and it is found that the Government are making little or no profit at all. If the cost of the working of village courts is taken into consideration, there is a considerable deficit.

" Another suggestion made by Mr. Ari Gowder was, if I understood him aright, that civil courts should be abolished and that all cases should be tried by panchayat courts. That will be rather a sweeping reformation. Hon. Members are aware that Government have, for some years, been endavouring to encourage the use of panchayat courts. There are now 3,400 courts exercising jurisdiction.

" Mr. Ari Gowder also suggested that arbitration should be encouraged. The second schedule to the Civil Procedure Code already provides for cases to be referred to arbitration if the parties agree, an arbitrator being appointed by the court in such manner as may be agreed upon between the parties. I think that provides adequately for arbitration if there is any desire on the part of people in this country to avail themselves of it.

" Mr. Ethirajulu Nayudu also pointed out the undesirability of judicial courts being held in hired buildings. That is a point on which we all agree with him and Government are taking measures to house the courts in Government buildings as far as they can. But of course in this respect as in others we are limited by the amount of money which is at our disposal."

* The hon. Khan Bahadur Sir Mahomed Usman Sahib Bahadur :— " Mr. President, Sir, let me first of all deal with the three subjects of my hon. Colleague the Law Member, which have been entrusted to me for reply. As regards Stamps, there has been a general criticism that the Government have not seen their way to reduce the stamp duties. Sir, I can assure the House that the Government are very anxious that they should do something in the matter of the reduction of stamp duties if it is possible. The Government have considered this question time after time and every year this is one of the questions which we have to consider in connexion with the budget, whether it is possible to reduce the stamp duties. As hon. Members may see from the speech of the hon. the Finance Member, there is a tendency towards reduction in our income and our expenditure is going up by leaps and bounds. The Government therefore think that the time has not come for reducing the stamp duties. My hon. Friend, the Leader of the Opposition, said this morning that the hon. Sir Muhammad Habib-ul-lah had stated at the time of introducing the two taxation Bills for increasing the stamp duties, that the additional income would be spent for increasing the salaries of village officers. I find from the report of the proceedings of this Council in 1922 that Mr. P. Venkatasubba Rao moved an amendment. In doing so he said that it was some consolation to learn that a portion of the revenue proposed to be raised would be utilized for increasing the pay of the village officers. This amendment was seconded by my hon. Friend, Mr. P. T. Rajan. In reply, Sir Muhammad Habib-ul-lah said :—' Nor do I subscribe myself to the theory that he seems to have started that these two pieces of taxation were intended more or less to have their proceeds earmarked for the purpose of increasing the salaries of the village officials. These measures are, as a matter of fact, intended for the purpose of adding to the revenues of the province and it

[Sir Mahomed Usman] [28th February 1930

cannot at all be gainsaid that the revenues of the province do need a substantial increase, even after this and the other Bill are passed into law.' Our position to-day is exactly the same, Sir. That is the reason why the Government are not able to meet the wishes of hon. Members.

"In connexion with the administration of jails, my hon. Friend, Mr. Kesava Pillai, said that the Government should immediately pass orders in order to give liberal treatment to the prisoners. Hon. Members know that the Government of India have already passed orders in this matter and have communicated them to the Madras Government. We are now considering the question of amending our jail rules. An hon. Member from Malabar wanted to know about the condition of the Mappilla State prisoners who are detained in Madras. I find from the papers here that there are thirteen Mappilla State prisoners detained in Madras City, twelve under the Madras State Prisoners Regulation Act II of 1819 and one under the Mappilla Outrages Act, 1859. These prisoners are granted allowances for themselves and for the members of their families actually living with them. They are permitted to bring their families from Malabar at Government cost to reside with them. The Government also permit them to go to Malabar occasionally for the purpose of seeing sick relatives or getting financial aid. Of the thirteen prisoners detained in Madras, five are employed. The Commissioner of Police has been instructed to help these prisoners in securing employment. Four of these prisoners recently asked for a transfer to a mufassal place; on being told that on transfer their allowance will be reduced from Rs. 8 to Rs. 5 they withdrew their request. We are doing everything to see that employment is found for the seven prisoners.

"As regards the Forest department, a general observation was made by an hon. Member that the department should be closed immediately. We must remember that the Forest department serves a very useful purpose; it provides us with income from commercial undertakings. It is even more intended to conserve forest growth for the sake of climatic reasons and for the protection of supply to rivers. The net income from the Forest department in the year 1928–29 was Rs. 13 lakhs as compared with the net income in 1927–28 which was Rs. 2 lakhs. (A voice: What about expenditure?) The budget will give the information. My point is that it is not a losing concern. One hon. Member suggested that the Forest College should be closed. I may assure hon. Members that the Government are very carefully considering the question of the future of the Forest College. My hon. Friend from Coimbatore referred to the number of Conservators of Forests. I find that, in the year 1920, there were four Conservators. In 1921 there were six Conservators. In the year 1925 a Working Plans Circle was brought into existence. One Conservator was put on this work. Thus the number of Territorial Conservators was reduced to five. I may now say that the whole question of the reorganization of the Forest department is now under the consideration of the Government.

"Coming to the departments under my control, I am exceedingly glad to find that my hon. Friend Mr. Davis has expressed his entire satisfaction at what the Government have been able to do for Anglo-Indian and European education. Similar satisfaction was expressed as regards the working of the Labour department by my hon. Friend, Mr. Muniswami Pillai. He stated that the question of reorganizing that department has not been considered

28th February 1930] [Sir Mahomed Usman]

by the Government. Sir, this question was considered more than once and the present Commissioner of Labour brought to the notice of the Government that he would be satisfied with a certain increase in the clerical staff of the department. We have granted the request made by him and he tells us that the department does not require any reorganization for the present. If he finds later on that more officers are required, he will submit his proposals to the Government who will consider them.

" A suggestion has been made by my friend Mr. Muniswami Pillai that the District Labour Officers should be drawn from the cadre of Deputy Collectors. Sir, there is no reason why we should do so. If it had been brought to the notice of the Government that the work of Tahsildars who are now serving as District Labour Officers had not been satisfactory in any way Government might consider the question. The reports that we have been receiving go to show that the District Labour Officers who are drawn from the cadre of Tahsildars are giving every satisfaction to the department and to the Government. 4-30 p.m.

" In this connexion I should like to draw the attention of the House to the fact that the work of the Labour department has been extended to 19 districts till now and I am extremely glad to say that in the coming year its activities will be extended to two more districts, namely, Salem and Chittoor. In the remaining five other districts the interests of the depressed classes will be attended to by the Revenue department till the Government are able to find funds to extend the operation of the Labour department to those districts also.

" As regards criticisms that were passed on the Police department I am inclined to think on the whole they were complimentary. First of all my hon. Friend Dr. Natesa Mudaliyar has expressed his great satisfaction at the excellent administration of the City Police by Mr. Cunningham. He said in his characteristic way that justice and not prestige has been the motto of the present Commissioner of Police. I should also bring to the notice of the House that Mr. Ethirajulu Nayudu has also expressed his satisfaction at the work of the mufassal police. The only complaint he has against the department is that there are delays in the disposal of appeals. As regards this question I shall draw the attention of the head of the department. My hon. Friend Mr. Gangadhara Siva has said emphatically that Government are doing injustice to the depressed classes in not recruiting constables and head constables from his community. Sir, from the figures that are before me I find that out of 34,200 constables and head constables there are 382 belonging to the depressed classes. Perhaps the figures may not be very encouraging. If proper men could be found I am sure the head of the department will employ more constables from the depressed classes. My hon. Friend Mr. Sami Venkatachalam Chetti has also paid his tribute to the work of the police in the City by saying that there has been a great decrease in the number of motor-car accidents. Of course he also said that the police are not coping with crime. As regards this I may point out that in the administration report of 1928 it is stated thus by the Inspector-General : 'The year's figures for crime are the lowest since the introduction of the scheme of Police Reform consequent on the report of the Police Commission, 1902–1903.' Last year I came up before the House with schemes for reorganizing the City Police and for reorganizing the Crime branch and C.I.D. branch and got them passed.

[Sir Mahomed Usman] [28th February 1930

As a result of this, I find from a communication from the Inspector-General of Police that there has been a distinct decrease in crime and that the figures for crime for 1929 show a decrease of 2 per cent on those for 1928. I am sure that this decrease will be more in years to come.

"As regards the general observations made on the speech of the hon. the Finance Member, I may assure the House that my hon. Colleague will bestow his careful attention. Sir Thomas Moir regrets very much that he is not able to be in his seat to-day in order to wind up the debate by making his speech. We all appreciate his sense of duty in coming here the other day to present the budget. I am sure the House will be with me when I say that i will be my duty as Leader of the House to convey to him our thanks and our best wishes."

The Council then adjourned to meet again at 11 a.m. the next day.

R. V. KRISHNA AYYAR,
Secretary to the Legislative Council.

[Mr. K. V. Krishnaswami Nayakar] [27th February 1930

" கடைசியாக இந்தியா தேசத்தில் வசிக்கும் ஏழைஜனங்கள் இடவசதி இல்லாமலும் தங்குவதற்கு ஒரு சிறிய குடிசை இல்லாமலும் பரதவிக்கின்றார்கள். அதின் திருஷ்டாந்தம் சென்னையில்வந்து மரத்தடியில் உருண்டுகிடப்பவர்களை யாவரும் தெரிந்தவிஷயமே.

" முடிவாக, மேட்டூர் தேக்க திட்டத்தின்பொருட்டு மனிதர்களால் உடைக்கும் புளுமட்டல் யூனிட் ஒன்றுக்கு ரூபாய் 9-13-0 ஆகிறது. அதைவிட்டு மிஷின் கொண்டு உடைத்தால் ரூபாய் 27 ஆகிறது. இதனால் அனேகம் ஆட்களுக்கு வேலை கிடைக்காமல் போய்விடுகிறது. ஆனால் செலவு மூன்று மடங்கு ஆகிறது. இதில் ஏற்படும் நஷ்டத்தைக் கருதி கனம் மந்திரியவர்கள் கவனித்தார்களில்லை. தவிர அங்கு வேலை செய்யும் கூலியாட்களுக்கு சரியான வசதி இல்லை. மரத்தடியில் காலங் கழிக்கிறார்கள். மற்ற பெரிய உத்தியோகஸ்தர்களுக்கு கட்டடங்கள் ஏராளமாக கட்டப்பட்டு இருக்கின்றன. அவ்வளவு கட்டடங்கள் நீடித்திருக்கக் கூடியவைகளா? ஏழைகளுக்கு சிறிய சிறிய குடிசைகளாவது போட்டுக் கொடுக்கக் கூடாதா? இதுவிஷயமாக கனம் மந்திரியவர்கள் ஏராளமான வசதிகள் செய்வார் என்று நினைக்கிறேன்."

The Council then adjourned for lunch.

After Lunch (2-30 p.m.)

II

THE MALABAR TENANCY BILL.

* The hon. the PRESIDENT :—" I have to deliver the message of His Excellency the Governor regarding the Malabar Tenancy Bill :—

' HIS EXCELLENCY THE GOVERNOR'S MESSAGE.

' I have given careful consideration to the report of the discussions in the Legislative Council and to representations that have been made to me by deputations and otherwise in respect of the Malabar Tenancy Bill. While I fully realize the care and attention that has been given to the Bill by the Council, it appears to me that the proviso inserted in clause 13, sub-clause (1), which was opposed by the representatives of the tenants though supported by the Member nominated to represent the janmis, imposes a condition on the janmis which would place them at a disadvantage when the fixity of tenure given to the tenants is taken into consideration. I accordingly return, under section 81-A (1) of the Government of India Act, the part of the Bill specified below to the Legislative Council for its reconsideration together with the amendment appended which I recommend.

Part of the Bill returned.

' Clause 13, sub-clause (1).

Amendment.

' In sub-clause (1) of clause 13, *omit* the proviso'."